FBIS DAILY REPORT

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FURTHER MATERIALS ON 37TH CEMA SESSION IN BERLIN

More Delegations Arrive

LD182001 East Berlin ADN International Service in German 1503 GMT 18 Oct 83

[Text] Berlin, 18 Oct (ADN) -- Further delegations have arrived in Berlin to take part in the 37th CEMA meeting:

A delegation from the Democratic Republic of Afghanistan, headed by Saewar Yoresh, deputy minister of foreign affairs, includes Mohammed Shafiq, ambassador of the Democratic Republic of Afghanistan to the GDR.

A delegation from Socialist Ethiopia, headed by Minister [as received] Mersea Ejigu, includes Alemayehu Daniel, responsible for economic cooperation with socialist states in the supreme Council for the National Revolutionary Development Campaign and Central Planning.

A delegation of the Republic of Nicaragua, headed by Henry Ruiz, minister of planning, includes Daniel Armando Fajardo Bodden, deputy minister for industry; Roberto Gutierrez Huelva, deputy minister for land and agricultural reform; Ivan Tercero Talavera, deputy minister for health; Salvador Munoz Hernandez, Foreign Ministry staff member; and Juan Antonio Jovane de Puy, economist.

Stoph Welcomes Delegations

LD181337 East Berlin ADN International Service in German 1030 GMT 18 Oct 83

[Text] Berlin, 18 Oct (ADN) -- Willi Stoph, chairman of the 37th CEMA meeting, and chairman of the GDR Council of Ministers, warmly welcomed on behalf of the SED Central Committee, the State Council and the Council of Ministers of the GDR, and Erich Honecker, the participants at the meeting in Berlin, capital of the GDR. He said:

"It is a special honor for us to be the hosts of this important meeting, the highest CEMA body. I welcome the following delegations of the CEMA states to the 37th CEMA Session: the delegation from the People's Republic of Bulgaria, led by Comrade Grisha Filipov, chairman of the Council of Ministers; the delegation from the Hungarian People's Republic, led by Comrade Gyorgy Lazar, chairman of the Council of Ministers; the delegation from the SRV led by comrade To Huu, deputy chairman of the Council of Ministers; the delegation from the Mongolian People's Republic, led by Comrade Jambyn Batmonh; the delegation from the Polish People's Republic, led by Comrade Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of Ministers; the delegation from the Socialist Republic of Romania, led by Comrade Constantin Dascalescu, prime minister of the Government; the delegation from the USSR, led by Comrade Nikolay Aleksandrovich Tikhonov, chairman of the Council of Ministers; the delegation from the CSSR, led by Comrade Lubomir Strougal, chairman of the Council of Ministers.

"I also welcome very warmly: the delegation from the SFRY led by Comrade Borislav Srebric, vice president of the Federal Executive Council.

"Our greetings are also extended to the representatives of the countries who are taking part in the work of the council meeting as observers: from the People's Republic of Angola, Comrade Lopo do Nascimento, minister of planning; from the Democratic Republic of Afghanistan, Comrade Saewar Yoresh, deputy minister of foreign affairs;

From the PDRY, Comrade 'Abd al-Qadir Ba Jammal, minister of Industry; from the People's Democratic Republic of Laos, Comrade Sali Vongkhamsao, deputy chairman of the Council of Ministers and chairman of the State Planning Commission; from the People's Republic of Mozambique, Comrade Marcelino dos Santos, secretary of the Permanent Commission of the People's Assembly; from Socialist Ethiopia, Comrade Minister Mersea Ejigu; the head of the delegation from the Republic of Nicaragua, who will take part in the meeting in accordance with its wish, Comrade Henry Ruiz, minister of planning.

"I welcome the following further participants at our meeting: Comrade Nikolay Konstantinovich Baybakov, chairman of the CEMA Planning Cooperation Committee and deputy chairman of the USSR Council of Ministers; Comrade Nikolay Vasil'yevich Martynov, chairman of the CEMA Committee for Material and Technical Supplies and deputy chairman of the USSR Council of Ministers; and Comrade Nikolay Faddeyev, secretary of the Council.

"This meeting will deal with far-reaching tasks for deepening economic and scientific-technical cooperation in strategically important areas. An important aspect in this is deepening cooperation in the solution of the tasks set by the fraternal parties in the sphere of the economical use of materials and the development of the production of foodstuffs.

"We are certain that the 37th CEMA meeting will contribute toward ensuring that the economic potential of the countries united in CEMA will further strengthen, that the advantages of the socialist planned economy will developed even more comprehensively, and that the unity and cohesion of the fraternal countries will be strengthened. This is of special interest in view of the struggle conducted against the peace-loving forces of the world, especially socialism, by the most aggressive circles of imperialism.

"The planned stationing of new U.S. medium-range missiles in the FRG and other West European countries intensifies the danger of war. The security and lives of all peoples will be threatened if this fateful intention is not prevented. In the struggles against this dangerous development, the forces for peace and progress have their strongest bastion in the Soviet Union and the states allied to it. The CEMA states will -- I am convinced -- do everything to safeguard peace reliably and lastingly.

"The far-reaching tasks set by the fraternal parties to guarantee a stable economic and social development can be solved all the more effectively, the closer cooperation with the Soviet Union and the other socialist fraternal countries is shaped. The improved use of the resources of our countries that this makes possible strengthens our socialist community of states and contributes to dynamic development.

"Allow me, dear comrades and friends, to wish all delegations taking part in the 37th CEMA meeting successful work in the solution of the tasks before us.

"I declare the 37th CEMA meeting opened."

Meeting Begins; Agenda Approved

LD181512 East Berlin ADN International Service in German 1019 GMT 1 Oct 83

[Excerpts] Berlin, 18 Oct (ADN) -- The 37th meeting of CEMA opened on Tuesday in Berlin. The meeting of the highest CEMA body is being held at the level of heads of government of the member states, as agreed.

On behalf of the SED Central Committee, the GDR State Council, and the Council of Ministers, as we-l as Erich Honecker himself, Willi Stoph, member of the SED Central Committee Politburo and chairman of the GDR Council of Ministers, warmly welcomed the delegations from the 10 CEMA countries and Yugoslavia, as well as observer delegations from Angola, AFghanistan, the PDRY, Laos, Mozambique, Socialist Ethiopia and Nicaragua to the venue of the meeting, the Hotel Stadt Berlin.

The 37th meeting then began its discussions. The plenary session approved the following agenda:

1. he activity of CEMA since the 36th meeting;

2. the expansion of cooperation and utilization of the experiences of the CEMA countries in the economical use of fuels, energy, and raw materials, including secondary resources;

3. complex measures for cooperation for an improved food supply to the population of the CEMA countries.

Reports on the items on the agenda were submitted by the chairman of the CEMA Committee for Material and Technical Supplies, Nikolay Vasilyevich Martynov; and the chairman of the DEMA Planning Cooperation Committee, Nikolay Baybakov.

After hearing the reports, the 37th CEMA meeting began its discussions. The first to speak was Nikolay Tikhonov, chairman of the USSR Council of Ministers.

Afterward, the morning meeting was addressed by the chairman of the Council of Ministers of the Bulgarian Peop le Republic, Grisha Filipov; the first secretary of the PZPR Central Committee and Chairman of the Council of Ministers of the Polish People's Republic, Wojciech Jaruzelski; the chairman of the Council of Ministers of the Hungarian People's Republic, Gyorgy Lazar; the vice chairman of the Council of Ministers of the Socialist Republic of Vietna, To Huu; and the vice president of the State Council and Council of Ministers of the Cuban Republic, Carlos Rafael Rodriguez.

The first to speak in the afternoon session was Chairman of the Council of Ministers of the Mongolian People's Republic Jambyn Batmonh.

Afterwards, Prime Minister of the Socialist Republic of Romania Constantin Dascalescu and Chairman of the CSSR Governemtn Lubomir Strougal spoke.

Other speakers of the afternoon session were Borislav Srebric, vice president of the SFRY Federal Executive Council; Lopo do Nascimento, minister of planning of the Angolan People's Republic; and Sarwar Yuresh, deputy minister for foreign affairs of the DRA.

They were followed by 'Abd al-Qadir Ba Jammal, minister of industry of the PDRY; Sali Vongkhamsao, deputy chairman of the Council of Ministers and chairman of the State Planning Commission of the Lao People's Democratic REpublic; Marcelino dos Santos, secretary of the Permanent Commission of the People's Assembly of the People's Republic of Mozambique; Minister Mersea Ejigue of Socialist Ethiopia; and Henry Ruiz, minister of planning of the Republic of Nicaragua.

GDR Council of Ministers Chairman Willi Stoph was the last speaker.

The first day of the 37th CEMA Session ended at about 2000. The meeting continues Wednesday.

36th CEMA Session Report

LD181548 East Berlin ADN International Service in German 1151 GMT 18 Oct 83

[Text] Berlin, 18 Oct (ADN) -- At the 37th CEMA meeting Gerhard Weiss, chairman of the CEMA Executive Committee, submitted under item No 1 of the agenda the report on CEMA's activity since the 36th CEMA meeting last year.

The report outlines the efforts of the members, under the leadership of their communist and workers' parties, in socialist and communist construction, in fulfilling economic plans, and in intensifying social production on the basis of the utilization of scientific-technical progress. The national income of the CEMA countries increased in 1982 by 2.6 percent in comparison with the previous year, and industrial production rose by 2.3 percent, especially as a result of the increase in labor productivity and saving raw materials, materials, and energy. Mutual trade turnover of the CEMA countries increased by 11.5 percent in 1982 in comparison with the previous year.

The report underlines that these results were achieved under complex domestic and external economic conditions. The imperialist circles of the United States and its NATO allies have further intensified international tensions and the arms race. They have tried to establish a trade, credit, and economic blockade and to carry out a policy of discrimination against the countries in the socialist community. Under these conditions the economic and scientific-technical cooperation in CEMA has special significance and it makes an important contribution to the economic and social development of its members.

As was further stressed, the multilateral cooperation of the CEMA countries is being aimed to a greater extent at problems of particular economic importance such as the supply of energy, raw materials and fuel, machinery, equipment and agricultural, and food industry products.

In this connection it is announced that 198 of 292 agreements planned had been concluded by this July for the implementation of the long-term targets programs for cooperation among the CEMA countries. The agreements signed since the 36th CEMA meeting deal for example with cooperation in the construction and operation of the 750 [kilovolt] line from the USSR to the People's Republic of Bulgaria, specialization and cooperation in the development of robots, and the development of technology for intensive oil cracking.

In conformity with the decisions of the preceding CEMA meeting, scientific-technical cooperation was perfected and scientific-technical policy was coordinated by the interested countries, in particular, with regard to the development and application of micro-processors and robot technology in the economy.

Great attention has been devoted to working out the long-term general directions of scientific-technical cooperation, which was aimed even more at the intensification of the economy among the members, and whose efficiency is to be further raised.

The report further states that a start was made on work on a concept for the long-term development of the electric energy industry within the framework of the uniform energy systems of the CEMA countries until the year 2000.

Cooperation among the CEMA countries in specialization and cooperation in production in the main spheres of engineering had also developed. Greater efforts were specified in order to meet the CEMA countries' needs for technological equipment, semiconductors, and special materials for electronics through joint work.

The executive committee report also deals with current tasks in the sphere of railway transport, the solution of which contributes toward increasing the passage of trains through some border stations and the handling capacities of ports. This is an important precondition for meeting deadlines in mutual deliveries among the CEMA countries.

It is stated that in the Socialist Republic of Vietnam, Cuba and the People's Republic of Mongolia -- based on the assistance of the other CEMA countries, in particular the USSR -- the fulfillment of tasks in the construction of the material-technical basis of socialism is being conducted under especially complex conditions. In this, it becomes clear, special attention was devoted to the development of branches that make it possible to engage more actively in the international socialist division of labor.

Fuel, Raw Materials Report

LD181555 East Berlin ADN International Service in German 1207 GMT 18 Oct 83

[Text] Berlin, 18 Oct (ADN) -- One of the central topics on the agenda of the 37th CEMA meeting were questions of expanding cooperation between the CEMA countries while making rational use of fuels, energy, and raw materials, including secondary raw materials. The proposals drawn up by the CEMA organs for expanding this cooperation were explained by the chairman of the CEMA Committee for Cooperation in Material and Technical supplies, Nikolay Martynov.

The report proceeds from the premise that cooperation in the production of fuels, energy, and raw materials is one of the most important prerequisites for the stable and dynamic development of the economy in the CEMA countries.

The CEMA countries are making great efforts to develop their own fuel, energy, and raw material basis. Between 1971-1980, for example, it was possible to increase the production of primary energy resources by 60 percent, oil production increased by about 70 percent, and the extraction of gas by 110 percent. In addition to the increased mining extraction of organic fuels, nuclear energy is being developed at a faster rate.

At the same time as cooperation is being stepped up to provide energy resources and raw materials, the consistent implementation of measures for their rational and economic utilization is being developed as one of the most important strategic directions for solving the fuel, energy and raw material problem as a whole, both at the present time and for the future.

Experiences show that the saving and rational use of fuels and energy are of great economic benefit. Expenditure on technological measures to save energy are on average two to three times lower than the expenditure needed for the equivalent extraction of fuels and energy.

On the basis of past experiences in saving energy and material, in using secondary raw materials in individual CEMA countries, and in mutual cooperation in this field, the Council meeting was equipped with the main directions for further cooperation in science, technology, and production.

It is above all important in this respect to expand cooperation in the production of energy- and material-saving equipment and measuring and control devices for the automatic regulation of heat and electrical energy consumption.

By introducing low-waste and waste-free technologies and light constructions, raw materials and material are to be utilized more efficiently. Methods should be developed for avoiding losses in fuels, energy, and raw materials during their extraction, transport, storage, and consumption.

Cooperation should be geared more strongly toward the development and introduction of progressive technologies for obtaining, preparing, and processing secondary raw meterials. The exchange of information and experience in planning and managing the energy and material industry and in the utilization of secondary raw materials should be expanded.

Baybakov Food Supply Report

LD181522 East Berlin ADN International Service in German 1215 GMT 18 Oct 83

[Text] Berlin, 18 Oct (ADN) -- The report by the chairman of the CEMA Planning Cooperation Committee, Nikolay Baybakov, states that the CEMA countries attach great importance to increasing agricultural production and to an improved food supply for the population.

The CEMA Planning Committee has submitted "Complex Measures for Cooperation To Improve the Food Supply to the Population of the CEMA Countries" to the 37th meeting. In this, cooperation centers on the further expansion of the material-technical basis of agriculture and the food industry.

It is planned to expand specialization and cooperation in the production of machinery and equipment systems for the complex mechanization of agriculture, of tools and equipment for the inspection and maintenance of agricultural machinery, and of equipment for the transport, storage, and output of mineral fertilizers, plant protection agents, and pest control equipment.

Great attention is devoted to increasing the production and mutual deliveries of mineral fertilizers, chemical plant protection agents, vitamin, and other fodder additives, as well as the improvement of their quality.

There is to be an intensification of scientific-technical cooperation in the development of new technologies, the processing of agricultural products, and the organization of foodstuffs production with minimal losses.

With the aim of increasing per hectare yields and productivity in the livestock industry, research cooperation is concentrated on areas such as the development of high-yield seeds and the rearing of high-performance animal breeds. In these areas it is planned to considerably increase the mutual exchange of seeds, plants, and genes stocks.

Reports, Speakers

LD181818 East Berlin Voice of GDR Domestic Service in German 1605 GMT 18 Oct 83

[Excerpts] The 37th CEMA Session opened in Berlin today. Malte Splettstoesser reports:

After the greeting by the chairman of the GDR Council of Ministers, who is also chairman of this CEMA session, the chairmen of the CEMA Executive Committee, the Planning Committee, and of the Material and Technical Supplies committee reported on the first three points of the day's agenda, which dealt with CEMA activity since the 36th council session, future cooperation in the material economy sphere, and raising CEMA countries' food production. Discussion of these three reports began at noon. Up to now the heads of the delegations of the USSR, Bulgaria, the Polish People's Republic, the People's Republic of Hungary, the Socialist Republic of Vietnam and the Republic of Cuba have spoken.

Nikolay Tikhonov, chairman of the USSR Council of Ministers was the first to speak.

Tikhonov Speech Summarized

LD182316 East Berlin ADN International Service in German 1900 GMT 18 Oct 83

[Text] Berlin 18 Oct (ADN) -- We have the task of discussing the results of mutual cooperation in the period between the two meetings and dealing with important questions which are connected with the further strengthening of the economies of the countries of the socialist community. This was stated by Nikolay Tikhonov on Tuesday at the 37th CEMA meeting in Berlin. The report from the executive committee reflects these questions in a comprehensive way. The Soviet side also shares the serious concern expressed in the report about the escalation of the international situation. As explained in Yuriy Andropov's most recent statement, Washington and its allies are striving to achieve military superiority in order to impose their will on others and rule the world. Precisely this aim is served by the unbridled arms race, especially in the field of nuclear arms.

The Soviet Union supports the achievements of a mutually acceptable agreement between the USSR and the United States on the limitation and reduction of strategic arms, as well as on the limitation of nuclear arms in Europe. Such an opportunity still exists. The deployment of American Pershing missiles and cruise missiles in Europe would, however, create a new tense situation and force us to take countermeasures to reestablish the military-strategic balance, both on a regional and on a global scale.

On the deepening of socialist integration, the speaker said that it finds expression in the joint efforts to solve such far-reaching national economic problems as the fuel and raw material problem and the supply of advanced equipment and technology, food and consumer goods. In the first 3 years of this 5-year plan period 264 million tons of mineral oil and mineral oil products, 92 billion cubic meters of natural gas, 53 billion kilowatt-hours of electricity, 128 million tons of iron ore, 19 million tons of inorganic fertilizer and a large amount of modern equipment will be delivered by the Soviet Union to the CEMA countries, taking into account the expected results of the current year.

The deliveries of machines, equipment, chemical products and mass consumer goods by the fraternal countries are of great importance for the national economy of the USSR.

At the previous meetings we agreed, the speaker continued, to carry out comprehensive measures for the development and production of internationally leading models of machines and equipment on the basis of the comprehensive use of industrial robots, microprocessor equipment and microelectronics. The CEMA Executive Committee and the relevant organs of our countries have to take effective measures for speeding up work in this field.

Our countries are starting to mark out the prospects for socioeconomic development in the years 1986-90 and the subsequent periods. An important part of this work is the coordination of state plans for the new 5-year plan period.

Nikolay Tikhonov emphasized that it is not only important to increase the quantity but also to ensure deep-seated qualitative perfection of our cooperation. It has to serve in greater measure for the solution of such problems common to us as the retooling of production, the rational use of resources, the development of and transition toward new equipment and materials, the improvement of product quality to the highest world level and the better satisfying of demand of the workers for high-quality products.

The Soviet side has carefully studied the proposals presented to the conference on cooperation in the rational use of resources and is willing to agree with them. Here there exists great reserves for the solution of the fuel and raw material problem in our community, the speaker said. Besides the measures to be taken over the coming years, it would also be useful to have a long-term program for cooperation up to the year 2000. He further said that also we are willing to agree to the measures presented to the conference for its attention on cooperation in the solution of our joint task -- the further improvement of food supplies to the population.

The Soviet Union, Nikolay Tikhonov further noted in his speech, is unwaveringly following the course of developing economic relations with all states that are prepared to cooperate with us on the basis of equality and mutual advantage and that do not try to use these links as a means of political pressure.

Close links of friendship unite us with the countries that are building socialism or have chosen a socialist direction. In closing the premier said that the Soviet Union and all countries of socialism are placing their complete political authority and economic strength in the service of peace and social progress.

Jaruzelski Address to Session

LD182321 Warsaw PAP in English 2053 GMT 18 Oct 83

["Jaruzelski Addresses 37th CEMA Session (abridged version)" -- PAP headline]

[Text] Berlin 18 Oct -- The present session is taking place in a tense and extremely complicated international situation. We follow its development with deep concern.

In its drive to gain a predominant world position, the United States forces armaments on an unprecedented scale, employ military balckmail and unparalleled interference into the internal affairs of sovereign states. Being guided by anti-communist and imperial strategy it (?does this) to upset a balance of forces, undermine the territorial order in Europe that follows the Yalta and Potsdam Agreements. Its strivings to this end are in tune with ever more active revanchist forces in the FRG. The U.S. Administration tries to force on the world its adventurist and dangerous [word indistinct] it also attempts to draw its allies into a corner with no way out. That objective is served by the plans to deploy missiles in Europe that provide for a qualitatively new situation posing a peril to peace.

The United States expands its military presence thousands of kikometres off its own frontiers, its declares distant world territories their spheres of direct interests.

The U.S. applies economic discrimination, propaganda assualts, employs various provocation acts against any state that does not intend to subjugate itself to the American (?dictate) and aggravates situations in a very dangerous way and makes feasible the possibility of the outbreak of a nuclear war.

In the face of that threat, it is the most urgent task for the socialist community and the entire mankind to curb an [words indistinct] there is still time to eliminate disaster. The road to this end was paved by the Prague declaration of the Political Consultative Committee and the Moscow statement by leadership of the European socialist countries on signing a treaty on a mutual non-application of military force and preserving peaceful relations among states: the Warsaw Treaty and NATO member countries.

The consistent course oriented towards ensuring a peaceful future to the peoples of the world was confirmed by momentous initiatives by CPSU CC General Secretary, President of the Supreme Soviet, Comrade Yuriy Andropov and the latest Soviet proposals advanced at the U.S. forum.

Europe's security is based first and foremost on two pillars, that is on the recognition of the inviolability of political and territorial (?frontiers) and the maintaining of a military balance on a lowest possible level.

The awareness of the fact becomes ever more general also in the capitalist world. Primarily, it is reflected in a mass protests against the policy of escalating armament and in particular over deploying American missiles in some West European countries. We express our full moral support for those humanitarian drives.

Economic restrictions belong to the category of measures serving the policy of confrontation pursued by the U.S. Administration and its allies. In an exceptionally vehement and [word indistinct] way they are applied towards our country, slowing down the pace of normalization of economic life, limiting the possibilities of swiftly improving living conditions. Food weapon and economic blackmail entered the arsenals of the American combat measures and became an integral part of the U.S. policy.

In the case of Poland they are a brutal tool of "punishing" our country and a peculiar kind of "vengeance" for the fact that tragic conflict was foiled in Poland, that social peace was restored and a plan for dismantling socialism and snatching Poland from the socialist community fizzled out.

The restrictions against Poland are also a practical manifestation of the doctrine of differentiated U.S. policy towards the socialist states, the attempts at setting them against one another, at undermining the internationalist unity with which we are linked.

The Polish People's Republic will not depart from the course of building socialism: From the path of defending peace and joint security as part of solidarized efforts of the states-parties to the Warsaw Treaty.

The period which elapsed from last year's session of the council saw a clear improvement in the socio-political and economic situation in Poland. This allowed us to suspend martial law at the end of last year and to abolish it last July. Day by day, the base of activity of the top-dogs of counter-revolution keeps shrinking.

The activities aimed at inciting unrest and violating the process of normalization are suffering a fiasco.

No external pressure can stop it either. Our society sees it ever more clear that Poland's future lays with intensified work, consolidation of law and order as well as calm, consistent implementation of the programme of the 9th PUWP Congress.

The strength of our party keeps rising. Its ideological unity is consolidating. This was evidenced by the 13th PUWP Central Committee plenary meeting which wound up a few days ago. The new trade union movement has been formed and develops systematically as an important link of the socialist democracy and socialist building in Poland.

We are recording an improvement in economy, although its general condition is still difficult and complex. On the one hand, there is recovery in the sphere of industrial production, building construction and agriculture. On the other hand, the results of the disproportions which swell over the years, the activities of the political opponent which anarchized the economy as well as the (?restrictions) used against Poland are still painful.

As the main task last year, and I had the opportunity to speak of that at the previous session, we found the arresting of the production slide. This task was fulfilled. In August 1982, industrial production upturned for the first time. This process has held on till now. After nine months of this year, the producción is up by 8 per cent over the last year's figure. A marked increase in labour productivity was also noted. In a number of fields, it reached the pre-1980 level.

Relatively good results were scored by farming in plant production. However, following the steep downturn in the imports of grains and fodders and the particularly painfully bad harvest of potato last year, the cattle and hog population was drastically reduced. As a result, the meat production also dipped. That causes considerable difficulties in meeting the meat and meat products requirments. The upholding of the todate rations assumes now the rank of one of the most difficult and, at the same time socially most sensitive problems.

We are now carrying out the main targets of this year, that is the arresting the living standards downward slide which has taken place for a couple of years now. Supplies of foodstuffs and industrial consumer goods have slightly imporved. Nonetheless the market situation is still tense, as knitware, textile and a number of household articles are still in short supplies.

In foreign trade, we have achieved conspicuous results. The exports to the socialist countries have got a new lease of life and surpassed the pre-crisis mark. In the trade exchange with a majority of the CMEA countries, we have balanced off the turnover, thus becoming again an equal-right partner. On the other hand, in the trade with the Soviet Union imports have been running higher than exports for years now. This is a manifestation of the Soviet Union's brotherly assistance. I would like to thank for it once again. I also thank all of those of our friends who in themost difficult period for us showed us so much understanding and friendliness.

The course to the ever more lasting bonds with the socialist countries will be continued by us. The share of the allied countries in Poland's trade exchange with foreign countries is growing. We are entering into new coproduction links. We highly appreciate from this point of view the results of the recent visit in Poland of the General Secretary of the CC of the German Socialist Unity Party, President of the Council of State of the GDR Erich Honecker. We expect that the forthcoming meetings with the leaders of other brotherly parties will also make for the expansion and tightening of our cooperation.

With a view to further reorienting Poland's economic cooperation to the CMEA countries, we are adjusting our production and export structure to the interests of our partners. We are preparing long-term programmes of specialization and cooperation links reaching into the 1990s. Our bitter experiences of the recent years have shown it tellingly how excessive economic ties with the capitalist countries can be dangerous. Simultaneously, we have got convinced how irreplaceable and unfailing in the hardest times is the stable cooperation with socialist friends. We are coming out in favour of its widest possible range and its most varied forms.

Through closer cooperation with the CMEA countries we intend to step up the solution of such key issues for our economy like:

Firstly, a better use of the existing production potential. Having this in mind, we also improve economic management.

Secondly, a change of the profile and structure of production to adjust it to the needs of the domestic market and export.

Thirdly, giving a boost to the process of cutting power and material consumption and cutting the production costs.

Fourthly, further steps to put the investment front in order. This could be helped by positive decisions of the CMEA countries with regard to our offers for cooperation in completing some investment projects in Poland.

We are interested in improving methods ensuring a multilateral flow of newest technical solutions and technology as well as organizational innovations between our countries to be followed by the flow of sophisticated machines and installations. This is special importance in the face of intensifying, ever newer forms of discrimination in the sphere of modern technology flow from the West.

We should better the mechanisms which would stimulate the solution of two, as it seems, key tasks of the contemporary technical policy. The first is to quickly translocate among our countries those innovations which have already been tested and mastered. The second is to take up jointly scientific researches into the most novel solutions which determine the technology of tomorrow. The sphere of microelectronics and bioelectronics, miniaturized equipment and robots are the areas on which, in our view, the efforts should concentrate. A marked progress in everything which surrounds a human being, which he needs in life, should be the ultimate goal of these steps.

We are interested in developing cooperation in working out an ushering into production of materials and power thrifty technologies, of highly effective waste-free technologies, as well as in broader recycling of waste materials. We expect that as a result of the decisions this session will make, we will expand cooperation in economizing fuels and energy, particularly in all kinds of transport, in municipal-housing economy, as well as in production of building materials.

A possibly quick and further improvement of market supplies for the people will remain the topic of the supreme importance and urgency in our country. On the other hand, for a longer run, calculated at some 6 years, we set ourselves a more ambitious task: Food self-reliance. We understand this problem in a wider context, combined with the development of pro-export specialization of certain fields of Polish farming in order to import that which in our climatic conditions is unobtainable. And in this field we count on close cooperation with the CMEA countries.

Winding up, let me express once again the positive evaluation of the work of the Council for Mutual Economic Assistance in the past period. I would like to express thanks to the council's organs for the capable elaboration of concrete materials concerning so vital problems for our countries.

Being guided by the Leninist principles of internationalism, we actively support the just aspirations of the nations which rid themselves of colonial oppression. We support their aspirations towards strengthening political and economic independence, to ultimate ridding themselves of imperialist exploitation and to independent management of national resources. In her foreign policy Poland fully implements these basic lines which is reflected in the developing and deepening of cooperation with developing countries.

We are of the opinion that there are considerable possibilities, in the development of mutual cooperation with developing countries, for increasing the latter's industrialization as well as for speeding up our own development. In this context, I would like to recall the Polish proposals for economic confidence building measures. These proposals are important for all countries which are subjected to pressure of the industrialized capitalist states which try to make the development of economic cooperation conditional on political and ideological factors. We are convinced that these proposals deserve a wider promotion and expansion so that they should be able to help in making the development of international economic relations independent from summary vacillations and changeable political cylcles. We also should take actions, together with all the partners whose interest converge with ours, in the forum of international organizations in order to effectively fight the restrictions and economic discrimination applied by the West.

Honecker, Jaruzelski Hold Talks

LD181634 Bast Berlin ADN International Service in German 1506 GMT 18 Oct 83

["Friendly Meeting Between Erich Honecker and Wojciech Jaruzelski -- ADN headline]

[Text] Berlin, 18 Oct (ADN) -- On 18 October there was a friendly meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of Ministers of the PPR, who participated in the 37th CEMA meeting as head of the Polish delegation.

During their talk special attention was given to the concrete contribution by the GDR and the PPR to the realization of the peace policy of the socialist community of states, especially the proposals contained in the Prague Declaration and the Moscow statement of 28 June 1983.

Both sides in the discussion expressly underlined that the dangerous course of confrontation and arming being accelerated by the United States and NATO demands still closer cooperation among all peace-loving forces. Everything must be done to prevent a nuclear inferno.

They agreed that the stationing of U.S. nuclear first-strike weapons in the FRG and the other West European NATO countries created a qualitatively new situation. It is a violation of the treaty system in central Europe, a system created as a result of World War II and postwar developments and which is a foundation of relations of good-neighborliness and mutually beneficial cooperation. The millions of victims and the immeasurable suffering brought about by fascism for the nations of Europe and the world, the experiences of history, among them those from the struggle of the German and Polish working class against imperialism, demanded the utmost efforts to secure peace.

For the GDR and the PPR this meant also resolutely opposing all attempts directed toward changing the territorial and political realities in Europe.

In the name of the GDR and the PPR Erich Honecker and Wojciech Jaruzelski reaffirmed the readiness of the Warsaw Pact countries to continue the East-West dialogue toward arms limitation and disarmament. If American medium-range missiles are stationed, the necessary effective measures will have to be taken to increase the security of our states.

Both sides spoke about the situation in their countries. They agreed that all progress made in solving the social and especially the economic tasks in both countries made an effective contribution to strengthening socialism and its position in the peace struggle. The SED and the PZPR consider that the most important concern is to deepen this knowledge in political and ideological work, and to further the performance-readiness and the creative initiative of workers.

Erich Honecker and Wojciech Jaruzelski praised current results in the realization of those measures which had been agreed during the visit of the party and state delegation headed by the SED Central Committee general secretary and the GDR State Council chairman to the PPR in August this year. They underlined the firm intention of both parties, states and nations to further strengthen and deepen mutual relations and cooperation on all levels, and in all spheres of political, social, economic, scientific, and cultural life.

The meeting was characterized by full agreement of views on all questions discussed and took place in a cordial and fraternal atmosphere.

Communique on Talks

LD182238 Warsaw PAP in English 2029 GMT 18 Oct 83

["Communique on Jaruzelski-Honecker Meeting" -- PAP headline]

[Text] Berlin, 18 Oct -- A friendly meeting between Secretary General of the SED CC, Chairman of the GDR's Council of State Erich Honecker and PUWP CC First Secretary, Chairman of the Council of Ministers of the Polish People's Republic Wojciech Jaruzelski was held here today. General Jaruzelski heads the Polish delegation for the 37th CEMA Session in Berlin.

During the talks particular attention was focused on both countries' active contribution to the implementation of peaceful policy pursued by the countries of the socialist community and of the proposals included into the Moscow Statement of June 28, 1983, in particular.

Both speakers stressed that a dangerous course of confrontation and armaments, embarked upon by the U.S. and NATO, demands ever tighter cooperation by all peace forces. Everything possible should be done to prevent nuclear holocaust. Both sides agreed that the deployment of new American thermonuclear weapons on the FRG's territory and other West European NATO countries provides for a qualitatively different situation -- a situation that would undermine the pattern of alliances in the centre of Europe shaped after the Second World War and over the years of the post-war development, and one that constitutes the basis for good-neighbourly relations and mutually beneficial cooperation.

Millions of victims, immeasurable sufferings brought by fascism upon the nations of Europe and the world make it imperative to undertake maximum efforts to ensure peace.

This imperative, for Poland and the GDR, signifies a decisive counteracting of all attempts aimed at altering the territorial and political realities in Europe.

On behalf of Poland and the GDR, Wojciech Jaruzelski and Erich Honecker again [word indistinct] the readiness to continue the East-West dialogue and to take constructive steps to limit armaments and attain disarmament, voiced by the Warsaw Treaty countries.

On the other hand, if U.S. medium-range weapons are deployed, this will require the adoption of measures necessary to increase the security of our states.

The two statesmen briefed each other about the situation in their countries. They unanimously stated that progress in solving social and especially economic tasks effectively contributes to consolidating socialism and its position in the struggle for peace. The PUWP and the SED acknowledge that deepening this swareness in the political and ideological work and stimulating activeness and creative initiatives of the working people are an important question.

Wojciech Jaruzelski and Erich Honecker voiced thier satisfaction over the hitherto results in the implementation of the decisions teken during the visit to Poland paid in August 1983 by the GDR party and state delegation led by general secretary of the SED CC, chairman of the GDR council of State Erich Honecker. The two stress the firm will of both parties, states, and nations to further consolidate and broaden mutual relations and cooperation on all planes and in all areas of political, social, economic, scientific, and culture life.

The [words indistinct] full unaminity of views on all questions under discussion and was held in a cordial and fraternal atmosphere.

Jaruzelski Leaves for Home

LD190855 East Berlin ADN International Service in German 0811 GMT 19 Oct 83

[Text] Berlin, 19 Oct (ADN) -- Wojciech Jaruzelski, head of the Polish People's Republic delegation to the 37th CEMA meeting, first secretary of the PZPR Central Committee and charman of the Council of Ministers started his joruney home on Wednesday morning.

He was seen off at Berlin-Schoenefeld Airport by Paul Verner, member of the Politburo and secretary of the SED Central Committee; Guenther Kleiber, candidate member of the Politburo, deputy chairman of the Council of Ministers and minister of general, agricultural engineering, and vehicle construction; and other officials. The Polish Ambassador to the GDR, Maciej Wirowski, was present.

Filipov Address

LD182328 East Berlin ADN International Service in German 2027 GMT 18 Oct 83

["From the Speech of Grisha Filipov at the 37th CEMA meeting" -- ADN headline]

[Text] [no dateline as received] The 37th CEMA meeting takes palce at a most significant time, Grisha Filipov siad. Our countries hve entered the decisive stage in fulfilling the tasks set by the party congresses of the communist and workers' parties for this 5-year period.

Successful realization of the plans of the party congresses will further strengthen the material-technological basis of developed socialism and guarantee the successful economic future development of the countries which are constructing the foundations of socialism.

The significance of the present time is also determined, the speaker said, by the complicated and tense international situation, which demands further strengthening of the political unity of the socialist countries and their economic and military defense power in order to put a stop to the aggressive policies of U.S. imperialism and its NATO allies.

Grisha Filipov emphaiszed that the declaration by Yuriy Andropov, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, is a fitting answer to the provocative attacks of imperialsim. At the same time it offers an effective porgram of measures aimed at preserving peace. Our party and our people, he said, agree with and actively support the assessments and constructive proposals contained therein to end the arms race, which has taken on dangerous proportions, to strengthen confidence, to create conditions for a peaceful settlement of problems between countries in accordance with the interests and the will of nations.

Grisha Filipov also spoke about multilateral cooperation between the CEMA countries. In the report of the Executive Committee it was rightly emphasized that the possibilities that exist for this and that are offered by the scientific-technological potential of the partner countries are not used effectively enough.

Of course, efforts have been made in the last years to fully coordinate scientific-technological cooperation in the interest of material production, but so far the channeling of top performance into production is not yet at the heart of this activity. The main direction of the work to increase the effectiveness of scientific-technological cooperation, the speaker emphasized, must consist of the development of direct relations between corresponding institutes and organizations.

During his speech Grisha Filipov dealt with trade among the CEMA countries. He assessed positively that in 1982 the share of mutual trade among these states in their foreign trade turn-over has risen. Nevertheless, the opportunities for expanding mutual trade through credit facilities and balancing on a broad basis within the framework of overall trade is ttill unsufficiently used.

The speaker dealt with the fulfillment of the decisions of the 12th BCP congress in the field of the materials economy. In Bulgaria a national program for the rational use of energy, raw materials, and materials for the 1981-85 period has been worked out and it is being realized successfully. He said: In this we count in considerable measure on cooperation within CEMA. We are willing to cooperate in the most active manner in the realization of the main directions presented for approval and in the measures worked out in agreement with them for the expansion of cooperation with the effective use of material resources.

Grisha Filipov then dealt with comprehensive measures to improve the supply of food for the population, laid down by the CEMA Planning Cooperation Committee. It is now important to secure in the countries of the community and in the CEMA organs a complete and qualitatively good realization of all measures according to schedule. He added: The comprehensive measures also correctly contain a section on the economic questions of cooperation, among them questions on the stimulation of production and food exports on the CEMA market, which takes us one step further in the solution of this problem of importance for us all.

Lazar Address Reported

LD190845 East Berlin ADN International Service in German 2152 GMT 18 Oct 83

["From the speech by Gyorgy Lazar at the 37th CEMA session" -- ADN headline]

[Text] [No dateline as received] -- Hungary attaches great importance to the fact that due to the work of socialist development and the development of economic integration, the economic potential of the CEMA countries and their weight in the world economy are continuing to grow, Gyorgy Lazar stressed. The United States and some of its allies, who at times run roughshod over the norms of equal relations between states, have undertaken new steps aimed at restricting the socialist countries' economic relations. As has been said before, and as has been reaffirmed, he said, our community of states has at its disposal, because of planned cooperation within CEMA, adequate potential and the necessary organizational capabilities to overcome these difficulties. This time, too, those who attempted to use economic discrimination for the purpose of political blackmail and who hoped to erect unsurmountable obstacles to the development of the socialist countries, will be disappointed.

The economic target figures in the report of the CEMA Executive Committee also bear witness to the failure of these plans. The report rightly points not only to the successes but also to the weak points of our work, Gyorgy Lazar stated. Greater attention should be paid to the criticial analysis of obstacles and problems, the working out of measures to remove them, and the better use of the opportunities offered for cooperation. In addition to the difficult external conditions, this demands a swift and successful solution to the complicated tasks on the agenda in the transition to the phase of intensive development in our countries.

The speaker stressed that the People's Republic of Hungary has in the past 2 years largely succeeded in implementing the most important economic tasks: the economy is better balanced and achievements relating to the people's living conditions were preserved. The accelerated intensification of the economy, the modernization of production, and raising the level of export capacity are more than ever urgent necessities.

This in turn could only be achieved if we become even more actively involved in the international division of labor, above all in socialist economic integration, the speaker stressed. The CEMA countries will continue to occupy the most important place in our economic relations. He said that in order to maintain the stability and continued development of our economy, economic cooperation with the Soviet Union and the other socialist countries is of particularly great, and decisive importance. On the basis of equal rights and mutual advantage, we also think it is necessary, and we strive to expand trade both with the developing countries and with the capitalist industrial states. Gyorgy Lazar spoke in some detail about the reliable fulfillment of the CEMA countries' long-term demands for fuel and energy. This topic is of particular importance for Hungary because the country's natural resources, as is known, are limited.

The ever rising costs for the recovery of sources of national raw materials and energy and the rising costs of imports have forced us for some time to lower the specific consumption of raw materials and fuel. Special programs for this have been developed. Gyorgy Lazar gave a positive assessment of the activity of the CEMA countries energy alliance system.

The People's Republic of Hungary thinks the program of measures in the sphere of agriculture and the food indistry is extremely important. With regard to Hungary, in the past we have tried both to meet our home needs and to help fulfill the demand from our partners by way of agricultural and food industry products.

In the period 1975-82, Hungary's share in the mutual supplies to CEMA countries of products of this type has nearly tripled.

The Hungarian premier also spoke of the issues relating to the creation of a modern material-technological base, which is needed for the development of agriculture and the food industry.

In conclusion, he stressed the great value of a careful preparation of plan coordination for 1986-90 and of the early conclusion of this coordination work.

SFRY Delegate Address

LD182347 Belgrade TANJUG in Enlgish 2116 GMT 18 Oct 83

[Text] Berlin, Oct 18 (TANJUG) -- Yugoslavia is interested in further expanding its cooperation with the member-countries of the Council for Mutual Economic Assistance (CMEA) in programmes involving the use of energy to peaceful ends and in food production within the economic grouping.

The above was stated by Yugoslav Vice-Premier Borislav Srebric at the 38th [as received] regular CMEA session in Berlin today (Tuesday). Yugoslavia is not a member of CMEA but cooperates with it under specific agreements.

Stressing the importance of Yugoslavia's multilateral economic and scientific cooperation with the CMEA member-countries, Srebric stated that relatively large possibilities exist for further cooperation in many fields namely, the production of nuclear power plant installation, microprocessing technology, the electronic industry, energy-saving techniques and technology, industrial cooperation, food production, agricultural technology etc.

Referring to serious disruptions in international relations, Srebric said that they were due also to accumulated economic problembs in the world, which affect the developing countries in particular.

He recalled that at the recent Sixth UNCTAD Conference in Belgrade, the non-aligned and other developing countries, taking the concept of a new international economic order as their point of departure, called for negotiations with the developed countries. The negotiations would be aimed at a global solution of the existing economic problems and the taking of urgent measures in areas of crucial importance.

Chairman of the CMEA Executive Committee Gerhard Weiss stated that the countries of the grouping are increasingly turning to broader mutually beneficial cooperation and that in 1982 trade exchange between the members rose by 11.5 percent.

CMEA is particularly oriented towards settling problems in the supply of energy, raw materials and food products, he added.

Chairman of the CMEA Planning Committee Nikolay Baybakov also noted that CMEA efforts were focused on "the further development of the material-technical base of the food and agricultural industry."

The current CMEA session is for the first time attended by a Nicaraguan delegation, which has the observer status.

JABLONSKI RECEIVES SOCIALIST EDUCATION MINISTERS

LD151641 Warsaw PAP in English 1520 GMT 15 Oct 83

[Text] Warsaw 15 Oct -- President of the Council of State Henryk Jablonski received here today heads of the 11 delegations who had taken part in the 13th conference of higher education ministers from socialist countries which ended on Friday. Participants in the meeting stressed an important role of the 1983 conference in the complicated international situation now prevailing.

When referring to the role of science and higher education in the effective solution of problems important for the development of the socialist states and societies, and pointing to the need to integrate efforts of the socialist countries for their common weal, the president of the Council of State emphasized the significance of the decisions of the concluded conference and the proteocol signed by its participants on October 13.

CSSR DELEGATE ADDRESSES INTERKOSMOS MEETING

LD180910 Prague CTK in English 1646 GMT 17 Oct 83

[Text] Prague [no date as received] -- The 16th annual meeting of the chairmen of the national coordination bodies of Interkosmos, the socilist countries, outer space international program, started here Monday, attended by representatives of all the ten member-countries of the organization.

Head of the Czechoslovak delegation, chairman of the Czechoslovak commission of Interkosmos and chairman of the Czechoslovak Academy of Sciences, Bohumil Kvasil, emphasized in his opening speech that this meeting, whose aim is the research and use of outer space exclusively for peaceful purposes, is held in an extraordinarily complicated and serious international situation.

Through the fault of the most reactionary forces of world imperialism, headed by the United States, and their hysterial attempts to regain the lost positions, mankind has come dangerously close to a tragedy which would mean annihilation of civilization and life on the Earth, Bohumil Kvasil said.

The agenda of the one-week meeting will include the preparation of projects of joint research and experiments for 1986-1990, coordination in transferring the results of outer space research by means of satellites and other topics.

CHNOUPEK INTERVIEWED ON WARSAW PACT SESSION

AU171552 Bratislava PRAVDA in Slovak 15 Oct 83 p 5

[Report on interview given by Bohuslav Chnoupek, CSSR minister of foreign affairs, to CTK's Sofia correspondent after the conclusion of the session of the Warsaw Pact Foreign Ministers Committee in Sofia on 14 October; passages in uppercase published in boldface]

[Text] Sofia (CTK) -- SHORTLY AFTER WARSAW PACT FOREIGN MINISTER COMMITTEE SESSION ENDED, BOHUSLAV CHNOUPEK, CSSR MINISTER OF FOREIGN AFFAIRS, ANSWERED QUESTIONS FROM CTK'S SOFIA CORRESPONDENT ABOUT HOW ASSESSES THE COURSE AND THE CONCLUSIONS OF THE COMMITTEE'S SESSION. HE SAID:

The results of the Sofia session of this already experienced body, which coordinates the foreign policy couse of our political and defense organization, are further proof of the continuing peace offensive of socialism. In an atmopshere of comradely exchange of views we assessed how the common key ideas and initiatives contained in the Political Declaration of the Prague session of the Warsaw Pact's Political Consultative Committee and the conclusions of the June session of our leading party and state officials, held in Moscow, are being implemented. That means a policy that is systemically oriented toward averting the danger of war and maintaining and reinforcing peace, and toward the relaxation of tension, halting the feverish arms buildup, expanding and deepening cooperation among states with difficult social systems.

FROM SOFIA THERE AGAIN RESOUNDED THE COLLECTIVE VOICE OF THE WARSAW PACT, A VOICE OF STATESMANLIKE WISDOM AND HOPE, CALLING FOR A UNITED EFFORT TO AVERT THE GREATEST DANGER OF THE PRESENT -- THE THREAT OF NUCLEAR WAR. IT RESOUNDS AT A TIME WHEN THE INTERESTS OF THE PEOPLE OF THE SOCIALIST COUNTRIES, ALARMED BY THE CRITICAL TENSIONS OF THIS TROUBLED FALL, DEMAND IT AS BEING VITAL AND IMPERATIVE. IT IS AN APPEAL TO MAKE EVERY EFFORT IN ORDER TO ACHIEVE THE DESIRED TURN FOR THE BETTER IN THE CURRENT AGGRAVATED INTERNATIONAL SITUATION.

The Sofia session made a sober and balanced analysis of the current international relations, whose development fully affirms the conclusions contained in the assessment of the Warsaw Pact's highest body last January, and in the aforementioned June meeting of the seven fraternal socialist countries. The militarist policy of the most aggressive forces of imperialism, above all American imperialism, and the selfish interests of its military-industrial complex, eliciting war psychosis, are the cause of the negative fact that the international atmosphere has become even more strained and more dangerous.

At the Sofia session primary attention was naturally devoted to the danger that threatens peace and security in Europe and in the world, originating in the planned deployment of new American intermediate-range missiles in some West European countries. It was noted with concern that NATO has begun to take the first practical steps toward that objective, while no progress has been achieved at the Geneva talks on limiting nuclear weapons in Europe. Therefore, the ministers of foreign affairs resolutely favored the immediate conclusion of a treaty that would guarantee the banning of the deployment of new intermediate-range nuclear missles in Europe and a reduction of the existing intermediate-range nuclear systems, with the result that the missiles so reduced would be completed liquidated, as the Soviet Union proposed. THERE ARE STILL POSSIBILITIES FOR ACHIEVING SUCH AN AGREEMENT, BASED ON THE PRINCIPLE OF EQUALITY AND EQUAL SECURITY. ALTHOUGH THERE IS NOT MUCH TIME LEFT, IT WAS SAID IN SOFIA THAT IF THE AGREEMENT IS NO CONCLUDED BY THE END OF THE YEAR, IT WILL BE NECESSARY TO CONTINUE TALKS TO ACHIEVE IT. OF COURSE, ONLY IF THE UNITED STATES OF AMERICA AND ITS NATO ALLIES RENOUNCE THE DEPLOYMENT OF NEW AMERICAN MISSILES BY THE DEADLINE BEGINNING DECEMBER 1983, WHICH THEY SET FOR THEMSELVES.

The warning about the great responsibility for jeopardizing peace and security in Europe, and launching a new round of the nuclear arms buildup on the continent, which the session of the committee of our ministers addressed to those NATO states that would permit the deployment of new American intermediate-range missiles on their territory, must also be considered as no less important. The communique's words that the Warsaw Pact countries have never striven for military superiority but also will not permit anyone to gain it over them are, in my opinion, an appropriate argument for those NATO officials who continue to speculate on blackmailing socialism with the help of new nuclear weapons.

Of a number of other aspects expressing the peace efforts of the socialist countries, on which attention was concentrated in Sofia, I would like to draw attention to the fact that the ministers of foreign affairs of the Warsaw Pact countries once again recalled the important concrete proposals and initiatives contained in the Political Declaration of the January session of the Political Consultative Committee, which has remained without a constructive answer from the other side. In the first place, there is the draft agreement on mutual nonuse of military force and maintaining peaceful relations between the Warsaw Pact and NATO states. OUR WILLINGNESS TO CONDUCT A DIALOGUE WITH THE STATES OF THE ATLANTIC ALLIANCE AND OTHER COUNTRIES ABOUT THIS MATTER, AND A COMMON, CONCRETE ASSESSMENT OF ALL ITS ASPECTS, WAS REAFFIRMED IN SOFIA. FINALLY, I WOULD LIKE TO STRESS THAT THE COURSE AND THE RESULTS OF THE SOFIA SESSION CONSTITUTE THE CONCRETIZATION OF THE DEEPENING ALL-ROUND COOPERATION WITHIN THE WARSAW PACT IN ESTABLISHING COMMON STANDPOINTS AND THEIR IMPLEMENTATION IN A WAY REQUIRED BY THE DYNAMISM OF THE DEVELOPMENT OF CURRENT INTERNATIONAL RELATIONS.

EDITORIAL ON NEED FOR STRUCTURAL ECONOMIC CHANGES

AU181925 Bratislava PRAVDA in Slovak 14 Oct 83 p 1

[Editorial: "A Path Toward Higher Work Productivity"]

[Excerpt] Many higher staff personnel of the industrial economic production units see the causes of the slowed pace of work productivity in particular in shortcomings pertaining to the material-technical supply, in the unsatisfactory technical standard of machinery and in the structure of productions. But in the experts' view there are also other reasons -- the available machinery is not being fully utilized, the standard of management and organizational work in many enterprises and plants is inadequate, material incentives are not linked to a sufficient extent to the final result of work regarding quantity, quality, and profitability.

As can be seen, not only objective but especially subjective reasons predominate. In many organizations the growth of work productivity lags behind the growth of average wages. To put it into simple terms: There still are plenty of employees (in various posts) whose wages do not correspond in the existing conditions to the quantity and quality of work they do. It might be that some people will even become offended, that they will protest, saying that they are allegedly doing everything the way it should be done, that they are always fulfilling their performance norms and so forth. All this is in order, but only if their norms correspond to the created prerequisites. In the majority of cases it is not like that. Many norms, it is being said, have already become outdated: Employees are fulfilling them without much effort. Therefore the Set of Measures has entrusted the individual management levels with the task of gradually perfecting the system of the management of the rationalization of work in the Seventh 5-Year Plan, and to that end to plan the objectives and tasks aimed at making performance norms more realistic and more extensive regarding production volume, and stiffen the norms governing the size of the work force and the main, auxiliary, service, management, and administrative activities.

Despite many initial problems, these tasks are being fulfilled, unfortunately -- in many cases -- on paper only, without the necessary verification of real possibilities on the basis of changed technical and organizational working conditions. Ranking economic personnel are excusing themselves by saying that the sections that are to work out new work norms do not have enough qualified people. But that is not the workers' fault.... This is almost a classical case of excusing oneself with objective reasons. Also the following fact forces us to say that: Last year PRAVDA wrote several times about the Soviet experience gained in making the basic norms more realistic and extensive [objektivizovani a rozsirovani normativnej zakladne], specifically about the Aksay system of the verification of performance norms on workers' initiative, whose origin is in the Rostov Oblast -- in the Aksay plastics-manufacturing enterprise. Unfortunately, only the Slovchemia's general directorate had displayed interest in that well-tested experience and worked it out in detail at some worksites in the Povazska Bystrica District. In a situation when the sphere of norms makes our lives so difficult, and when, as the saying goes, any advice is worth more than gold, using good experience to such a small extent is, to say the least, foolish, because the entire increase in the production in Soviet enterprises, which have begun utilizing the Aksay system, is, as a rule, due to the increased work productivity.

In the interest of increasing the social productivity of work, we must also carry out more courageously and faster structural changes that are motivated by the objective need to join the international socialist economic cooperation integration, especially with the Soviet Union, with more initiative, more intensively, and more comprehensively. Structural changes are a necessity, a starting point for resolving the economic effectiveness of the entire national economy, and thus an important factor in regard to increasing the social productivity of work.

JAKES BRIEFS SEMINAR ON ECONOMY, PROPAGANDA

AU161456 Prague RUDE PRAVO in Czech 13 Oct 83 p 1

[Text] Prague, 12 Oct 83 (CTK) -- A seminar organized for the lecturers of party bodies and organizations by the CPCZ Central Committee's Department of Propaganda and Agitation this Wednesday in Prague was devoted to the speedy implementation of scientific and technical results in connection with the conclusions of the eighth CPCZ Central Committee session.

The report of the most important tasks in this sphere and on the current results and prospects of the further development of the Czechoslovak national economy was submitted by Milos Jakes, CPCZ Central Committee Presidium member and secretary. During the following part of the aktiv meeting he replied to questions dealing with the solution of specific problems in implementing the results of scientific-technical advance in broad practice.

LEADERS THANK SOVIET COUNTERPARTS FOR GREETINGS

AU171900 East Berlin NEUES DEUTSCHLAND in German 14 Oct 83 p 2

[Text] Berlin (ADN) -- Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, and Willi Stoph, GDR Council of Ministers chairman, thanked Yuriy Andropov, CPSU Central Committee general secretary and chairman of the Presidium of the USSR Supreme Soviet, and Nikolay Tikhonov, chairman of the USSR Council of Ministers, for the congratulations conveyed on the GDR national holiday. The telegram reads as follows:

Dear Comrades: On behalf of the SED Central Committee, the State Council, the Council of Ministers, and the GDR people we cordially thank you for the fraternal greetings and congratulations conveyed on the 34th anniversary of the GDR. The working people of the GDR celebrated their national holiday completely in the spirit of great achievements in implementing the decisions of the 10th SED Congress to further universally strengthen their socialist state as a cornerstone of peace and socialism in Europe, as a reliable ally of the Soviet Union and the other states of the socialist community.

In view of the serious danger for world peace emanating from the militaristic course of the United States and NATO, all efforts must be directed toward strengthening the alliance with the Soviet Union and the other fraternal countries and contributing to implementing the peace strategy of the socialist community.

The high appreciation of the achievements of our people in building socialism and the active work of the GDR for peace, disarmament, and mutually advantageous cooperation among states that was expressed in your congratulatory message fills the communists and all working people of our republic with pleasure and gratitude. We fully share your conviction that the fraternal cooperation of the GDR and the USSR, which is a historic achievement of the peoples of both states, represents an important factor for strengthening peace and security in Europe. In the future too our socialist state will undertake every effort to further strengthen and deepen our fraternal alliance.

We wish you, dear comrades, all Communists and all the Soviet people new great successes in building communism and securing peace.

LEADERS GREET PDRY ON ANNIVERSARY 14 OCT

AU171857 East Berlin NEUES DEUTSHCLAND in German 14 Oct 83 p 2

[Text] Berlin (ND) -- Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, has sent the following telegram to 'Ali Nasir Muhammad, general secretary of the Central Committee of the Yemeni Socialist Party [YSP], chairman of the Presidium of the Supreme People's Council, and chairman of the Council of Ministers of the People's Democratic Republic of Yemen:

Dear Comrade 'Ali Nasir Muhammad: On the occasion of the national holiday of the People's Democratic Republic of Yemen, the 20th anniversary of the revolution of 14 October, I convey to you, the YSP Central Committee, the Supreme People's Council, and the friendly people of the People's Democratic Republic of Yemen, cordial congratulations and best greetings on behalf of the SED Central Committee, the State Council, and the people of the GDR. I note with great pleasure and satisfaction that the close relations of friendship, trustful cooperation, and anti-imperialist solidarity between the two parties, states, and peoples are continuously developing.

The treaty on friendship and cooperation signed in 1979 forms a firm basis for that and at the same time expresses the high level in bilateral relations. The GDR will continue to exert every effort to successfully continue and deepen the fruitful, mutually advantageous cooperation with the People's Democratic Republic of Yemen in the interest of preserving and securing peace in the world and to the benefit of our peoples.

I wish you and the friendly Yemeni people new great successes in implementing the demanding tasks set by the YSP on the path of developing a socialist society. Be assured that the GDR will continue to be at the side of the People's Democratic Republic of Yemen in the joint struggle for peace and understanding among peoples, against the life-threatening intensive armament policy of imperialism and its aggressive machinations, in particular, in the region of the Near and Middle East.

Accept, dear Comrade 'Ali Nasir Muhammad, my best wishes for personal well-being, health, and creative vigor.

HONECKER, KIRCHSCHLAEGER HOLD PRESS CONFERENCE

AU181800 [Editorial Report] East Berlin NEUES DEUTSCHLAND in German on 15/16 October on pages 3-4 carries a 2,100-word ADN report on the press conference of Austrian President Rudolf Kirchschlaeger and of Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, in Eisenhuettenstadt on 14 October. Both statesmen praised Kirchschlaeger's state visit and their talks as successful and stressed the cooperation between the two countries. They also stressed the need to preserve and secure peace. Erich Honecker stressed, concerning the continuation of the dialogue, "that it is not confrontation but cooperation that secures the future" and that Austria and the GDR illustrate that. Honecker spoke out in favor of a nuclear-free Europe and against the deployment of new U.S. missiles in the west of the continent, stressing that negotiations "must contribute to 'making this diabolic thing superfluous.'"

According to the report, Honecker expressed his "extreme satisfaction" with the results of the visit and President Rudolf Kirchschlaeger referred to the fruitful relations existing with the GDR in the economic and cultural field over the past 3 years and stressed the successful character of the visit, saying in this context: "The correctness of the path we have gone has been confirmed -- and not only in the bilateral relationship. I think that in Europe too this cooperation is felt very strongly.'"

The report then centers on Erich Honecker's statements concerning economic cooperation with Austria which he gave "at the request of Austrian journalists." According to his view, the foreign traded turnover has more than doubled since 1980 and will increase by another 35 percent in 1983. Erich Honecker stressed that medium-sized and small Austrian enterprises are involved in goods exchange with the GDR. According to the report, Erich Honecker stated that the bilateral goods exchange of 1983 is about 15 billion schillings, that there are third country transactions amounting to over 9 billion, and that an important increase of 3.5 billion can be envisaged for 1984.

Honecker then referred to "products of interest to the GDR," such as those of the textile and the shoe industry, and to the purchase of over 100,000 hectoliters of wine, and the products of the food and beverage industry, and also leather and cosmetics-industry products. He then referred to the exports to Austria, such as products from the sectors of machine engineering and electrotechnology, chemical and light-industry products. Erich Honecker stressed that the economic relations with Austria are an example of relations between states of different social orders.

The Austrian president finally stressed the need for decreasing the tension and "expressed the conviction that the preservation of peace is possible."

The report concludes by stating: "Erich Honecker, asked about the Gromyko-Genscher meeting said: Though this is not an immediate subject for us here, we welcome this dialogue. I want to stress that of course not confrontation but cooperation secures the future, taking into account the different social orders in the individual states. The relations between Austria and the GDR stress that. The GDR is in favor of a Europe free of nuclear arms, against the new deployment of missiles, and for negotiations to make that diabolic thing superfluous so that peaceful life can develop."

HONECKER INTERVIEW ON LUTHER, CHURCH-STATE TIES

AU071425 East Berlin NEUES DEUTSCHLAND in German 6 Oct 83 p 3

[Interview given by Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, to FRG journal LUTHERISCHE MONATSHEFTE; state and place not given]

[Excerpts] LUTHERISCHE MONATSHEFTE: In following humanistic traditions, which also go back to Luther, the GDR Constitution has expressively guaranteed freedom of conscience and religious freedom (Article 20). How does a socialist state react if, in a case of conflict, citizens rely on their freedom of conscience?

Erich Honecker: Indeed, the GDR Constitution is based on humanistic traditions of German history, which also include the work of Martin Luther. For centuries the most progressive forces have fought and suffered for the high principles of humanity and social justice laid down in our Constitution. The guarantee of freedom of religion and conscience is among them. In our country nondiscrimination toward believers and their right to commit themselves to a religious belief and to exercise religious acts are not only a constitutional principle but living practice. This is also confirmed by leading representatives of the GDR church leaderships.

Concerning the case of conflict you referred to, I want to state first of all that in the everyday life of coexistence and cooperation between Marxists and Christians, it is the exception. The rule is the active and convincing work of Christian citizens for our joint cause of peace and socialism. I want to stress once again that the freedom of religion and conscience of GDR citizens is guaranteed in any case. Of course, all citizens, independent of their ideology and denomination, are equal before the law. Last but not least, that is demonstrated by the fact that actions against the freedom of religion and conscience and the freedom of exercising one's religion are punished by criminal prosecution in our country. To violate the state and legal order by using this freedom as a pretext, thereby deviating from constitutional foundations, can of course not be tolerated by our socialist state.

LUTHERISCHE MONATSHEFTE: The agreements between church and state in the GDR of 6 March 1978 seem to be successful. This has now been demonstrated by the Luther Year. Can the Evangelical Churches in the GDR hope for a continuation and stabilization of this course?

Erich Honecker: Indeed, the meeting of 6 March 1978 has given new stimuli to the constructive shaping of the relations between state and church in the GDR. I share your impression that the cooperation between the GDR Martin Luther Committee and the Luther Committee of the Evangelical Churches of the GDR also confirms and qualifies that meeting. The cooperation between the Luther Committees did not only have a beneficial effect on mutual projects but also a stabilizing effect on the state-church relationship.

I know that the Evangelical Churches in the GDR keep to the way of 6 March 1978. We will also continue this way. Moreover, the meeting of March 1978 was not a "sensation," as maintained by certain people, but ripened in a complicated process of development. The meeting of 6 March 1978 expressed the continuity of our policy in this field. We remain interested in relations between state and church that are open trustful, constitutional, and constructive. The course of 1983 has undoubtely once again demonstrated the correctness of the March 1978 meeting. No one would benefit from another development, least of all the Christain fellow citizens who are helping to build the socialist society in the "home country of the reformation" through industrious work. In our country they are respected citizens who have equal rights and duties. For them the GDR is their home country, their state, their home.

LUTERISCHE MONATSHEFTE: On reopening the Wartburg this year you stated: "Our socialist state has great understanding for the legitimate interests of the church." Is that the beginning of an even more flexible policy in dealing with the heirs of Luther?

Erich Honecker: With the sentence you quote I characterized our position and our actions. As I have said, the relationship between church and state should be further shaped by open talks, frankly sloving problems and by the readiness for constructive steps. Whoever knows the broad and manifold possibilities for church activity in the GDR, will be aware of our understanding attitude toward the legitimate interests of the churchs. In this connection I want to recall the comprehensive, internationally respected production of the churches' and other publishing houses; the highly respectable work of loving care for the sick people in the deaconry; the full freedom of the churches, guaranteed on the basis of the separation of church and state, to settle their own affairs; and the access of the churches to national radio and television.

The understanding for church affairs has increased to the extent that churches described and took their place in our society as a "church in socialism." This is a result of the continuous development of church-state relations over many years. You have probably seen for yourself that the seven church days of 1983 and other church events on the occasion of the Luther Jubillee are carried out with the churches having full and sole responsibility, and with extraordinary state support. Here the state, to use words customary in churches, has demonstrated much confidence -- confidence in the achieved level of church-state relations and confidence in the churches.

Luther's significance as a historical personality concerns all citizens in our country, for he helped to shape our history, even though the theological view of Luther differs from that of Marxism-Leninism. In this connection I want to confirm: The joint tribute to the personality and the work of Martin Luther in our state reflects the cooperation of the citizens of our country irrespective of their ideology and religion. All are participating in the further shaping of the developed socialist society; it is in the interest of all and its results are of benefit to all. A policy to the benefit of the people, as it is implemented in the GDR, is at the same time in accordance with a basic Christian concern. Therefore it gets the active support of our Christian fellow citizens. This applies in particular to the efforts for averting the danger of a nuclear world war and for securing peace, that is, for solving the most important task facing mankind today.

HONECKER, OTHER PAY LAST RESPECTS TO THIELE

LD102042 East Berlin ADN International Service in German 1731 GMT 10 Oct 83

[Text] Berlin, 10 Oct (DPA) -- Relatives, friends, and comrades of communist Wilhelm Thiele, who died on 19 September aged 81, bade farewell to him at a memorial ceremony held by the SED Central Committee.

The guests, who paid their last respects to this constant fighter against imperialism and war, for peace and socialism, included, along with his widow Gertrud Thiele, Erich Honecker, general secretary of the SED Central Committee and GDR State Council chairman; Alfred Neumann, member of the SED Central Committee Politburo; other members of the SED Central Committee, including Foreign Minister Oskar Fischer and Helmut Mueller, second secretary of the Berlin SED Area Executive; former antifascist resistance fighters, including members of the working group of former political prisoners of Brandenburg-Goerden, of which Wilhelm Thiele was one of the leaders; and friends of the deceased.

Erich Honecker laid a spray of flowers as a personal final greeting at the urn of this comrade from the difficult years in Brandenburg-Goerden prison. On velvet cushions, the Karl Marx Order and other high awards recalled Wilhelm Thiele's services. The memorial speech in the hall of Friedrichsfelde Cemetery was given by Kurt Seibt, chairman of the Central Auditing Commission of the SED and comrade of Wilhelm Thiele. He recalled that this revolutionary entered the KPD nearly 60 years ago, helped in the development of the Red Front Fighters League and was a member of the Berlin-Brandenburg KPD Executive. For Wilhelm Thiele, friendship with the Soviet Union was one of the greatest possessions in life, a possession from which a revolutionary can draw immeasurable strength, stressed Kurt Seibt. He praised the great service rendered by the deceased as mayor of Berlin-Mitte, as deputy mayor and secretary of the Berlin City Parliament, and stressed his contribution as a diplomat in the CSSR and Finland in consolidating the GDR's international esteem. Until his death he worked as secretary of the Berlin Bezirk Committee of the antifascist resistance fighters. He rendered particular service in preserving revolutionary traditions and passing them on to succeeding generations.

LEIPZIG CITIZENS PROTEST U.S. MISSILE PLANS

LD181746 East Berlin ADN International Service in German 1719 GMT 18 Oct 83

[Text] Leipzig, 18 Oct (ADN) Ten thousand Leipzig citizens decisively rejected plans to deploy new American medium-range missiles in the FRG and other European countries at a peace demonstration on Tuesday afternoon. In the inner precincts of the Karl Marx University, it was recalled that 40 years ago the fair city was destroyed by Anglo-American bombers.

Everything must be done now to prevent the U.S. ruling circles from driving mankind into a nuclear war, a declaration said. It calls on the governments of the United States and the FRG to finally give constructive answers to the peace proposals of the Soviet Union and the other socialist states. At the same time they assure that they will spare no effort to increase and maintain the economic and political effectiveness of the GDR.

CENTRAL COMMITTEE SESSION COMMUNIQUE 12 OCT

AU181359 Budapest NEPSZABADSAG in Hungarian 14 Oct 83 pp 1, 2

["Communique on the 12 Oct 1983 Session of the MSZMP Central Committee"]

[Text] The MSZMP Central Committee held a session on 12 Oct 1983, presided over by Comrade Janos Kadar. Participating in the session were, in addition to the Central Committee, heads of the departments of the Central Committee, first secretaries of the county party committees, secretaries of the Budapest Party Committee, the chairman and secretary of the Central Control Committee, members of the Presidium of the National Trade Union Council, members of the Council of Ministers, and heads of the major national official organs and the central press.

The Central Committee discussed and approved:

-- a report submitted by Comrade Matyas Szuros, secretary of the Central Committee, on topical international issues;

-- a draft statement submitted by Comrade Karoly Nemeth member of the Politburo and secretary of the Central Committee, on the development of trade union activity and party tasks;

-- a proposal submitted by Comrade Mihaly Korom, member of the Politburo and secretary of the Central Committee, on terminating districts and developing local party, state, and social guidance; and

-- a report submitted by Comrade Ferenc Havasi, member of the Politburo and secretary of the Central Committee, on topical economic issues.

I.

The Central Committee reviewed topical issues of the international situation and the foreign political activity of party and state organs since the latest session.

1. The Central committee concluded that the international atmosphere has continued to deteriorate. The endeavors of extremist circles of imperialism, their steps to obtain a superiority of military strength, and their attempts to intervene in various local conflicts constitute grave dangers for world peace. The propaganda campaign against the Soviet Union, the socialist countries, and the progressive forces has intensified. The imperialist circles intend to induce acceptance of their armament plans through any possible means. Cooperation between individual countries and groups of countries is made more difficult by lasting problems of the world economy as well.

In this situation, a prudent attitude of the governments and political elements feeling responsibility for the destiny of the world is indispensable. The people of the European countries and mankind as a whole are interested in nuclear weapons not being deployed in countries where there are not any at the moment, and in a reduction of their number where there are some.

Our country and people also are interested that the historically developed military balance of power remain intact, and that a mutually acceptable agreement be reached at the Soviet-U.S. arms limitation talks and particularly at the talks being held on intermediate-range nuclear devices in Geneva.

The Central Committee is of the opinion that it is still possible to come to terms and avert the deployment of new U.S. missiles in Europe. For this, a suitable basis is provided by the known significant initiatives of the Soviet Union and the proposals adopted at the January Prague meeting of the Warsaw Pact Political Consultative Committee and the June Moscow meeting of seven socialist countries' party and state leaders. In the interests of a rational compromise, these things take into account in a far-reaching way the legitimate security interests of all sides concerned.

The socialist countries continue their constructive peace policy even in the international situation that has become more tense. This was manifested also at the September Moscow meeting of the Central Committee secretaries of the socialist countries' communist and workers parties in charge of international and ideological issues. This meeting also urged concerted action by the various political and social forces for consolidation of the peoples' peace and security.

2. Through their international activity, our party and government consistently strive to consolidate further the socialist countries' unity and cooperation, which is of increasing significance in the present world political situation.

Our party-government delegation's visit in the Soviet Union in July was an event of outstanding importance in Hungarian-Soviet relations. The Central Committee highly valued the results of the top-level talks, conducted in a cordial and comradely atmosphere and a spirit of mutual understanding, between Comrades Janos Kadar and Yuriy Andropov. There was a complete identity with regard to fundamental issues of socialist construction, the strengthening of our bilateral relations, and the appraisal of the international situation at the talks. The visit has imparted a further impetus to the intensification of our fraternal friendship and the development of our international cooperation.

The strengthening of Hungarian-Czechoslovak friendship was served well by the visit of Comrade Gyorgy Lazar, chairman of the Council of Ministers, to Prague. His talks with Comrades Gustav Husak and Lubomir Strougal, as well as other Czechoslovak leaders, contributed to the development of economic, cultural, and touristic cooperation between the two countries.

Our solidarity with socialist Cuba was expressed through the participation of a Hungarian party-government delegation in the celebrations marking the 30th anniversary of the beginning of the Cuban revolution. Our delegation proclaimed on the 35th anniversary of the Democratic People's Republic of Korea that we support the Korean people's struggle for a peaceful reunification of their country.

Meetings with leading representatives of the CPSU, the PZPR, and the LCY usefully contributed to a further intensification of our internationalist relations and fraternal cooperation.

3. The Central Committee acknowledged with satisfaction the successful conclusion of the Madrid meeting. Confirmation of the principles and recommendations laid down in the 1975 Helsinki Final Act bears witness to the fact that it is possible to reach an agreement acceptable for all participants in international negotiations on the basis of equality and through a mutual consideration of interests. The Hungarian People's Republic strives to implement all recommendations of the Helsinki Final Act. The agreement to convene a conference devoted to European confidence-building and security-strengthening measures and disarmament in January 1984 in Stockholm is of outstanding importance.

That Budapest will host the cultural forum in October 1985 is an honor for our country.

4. The Hungarian People's Republic continues to develop its relations with countries with different social systems on the basis of the principles of peaceful coexistence.

Comrade Janos Kadar's visit to Finland and talks with Mauno Koivisto, president of the republic; Prime Minister Kalevi Sorsa; and other Finnish statesmen further intensified traditionally good relations between our peoples, furthered the development of increasingly multifaceted relations between our countries, and contributed to the cause of peace and European cooperation.

It was in the service of peace and international cooperation that Comrade Pal Losonczi, chairman of the Presidential Council, attended the meeting of heads of states and governments convened in New York on the initiative of Madame Indira Gandhi, current president of the Nonaligned Movement, and participated in the work of the 38th Session of the U.N. General Assembly.

The official visits of U.S. Vice President George Bush to Hungary and the minister of foreign affairs of our country to the United States constituted important events in our interstate relations. At these meetings, the parties appraised the settled relationship between our countries and supported maintaining and developing mutually beneficial bilateral relations.

The Hungarian People's Republic is prepared to cooperate, on the basis of the principles of peaceful coexistence, with every country which respects its reality of today, social structure, and sovereignty and recognizes its alliance commitments. At the same time, it disavows any attempt intended to drive a wedge between our country and its allies.

The official visit of French Premier Pierre Mauroy to Hungary and the talks conducted with him usefully contributed to reviewing our interstate relations, to exploring additional possibilities for our economic, commercial, and cultural cooperation, and to a constructive exchange of views on major aspects of international life.

Since the last Central Committee session, we held a series of talks with representatives of numerous other countries. We paid particular attention to our relations with developing countries. We conducted important and useful talks with U San Yu, president of Burma, and Maurice Bishop, prime minister of Grenada, who visited our country.

5. Talks with leaders of the Bolivian, Cypriot, Greek, Israeli, Italian, Austrian, Portuguese, San Marino, and Spanish Communist Parties were conducive to internationalist solidarity and cooperation, better acquaintance with each other's position and activity, and a further strengthening of our collaboration in the common struggle.

To foster the common interests of the international workers class and the cause of detente and disarmament, the MSZMP strives to expand relations with the socialist and social democratic parties. This was served by the talks with high-level representatives of the Belgian Flemish Socialist Party, the Finnish Social Democratic Party, and the German SPD.

II.

Taking into consideration the requirements of our work of socialist construction and the increasing social role of the trade unions, the Central Committee reviewed the party's tasks in the development of trade union activity.

Experiences confirm the fact that, making allowances for the requirements and possibilities of our social development, the MSZMP has correctly developed its position and tasks with regard to the trade unions.

The trade unions are the most comprehensive mass organizations of the workers class and the working people living from wages and salaries in our country. Continuing the best traditions of the past centuries and the international trade union movement, they are successfully fulfilling their mission also under our socialist conditions. They are committed to the workers' power and participate in the elaboration and implementation of the program of socialist construction.

Following the party's ideological and political guidance, the Hungarian trade unions operate and filfill their own tasks autonomously. They contribute to strengthening the political and economic foundations of our system, possess extensive rights assured by law for representing and protecting the interests of their members, and pursue a multifaceted educational activity. They are important institutions of our socialist society and have a significant role in creating and strengthening the alliance of the working classes, strata, and socialist national unity.

The Central Committee expresses its appreciation of the selfless and conscientious work of the Hungarian trade unions and their officials and more than a half-million activists.

2. The Central Committee reaffirmed the principles of the party's trade union policy. At the same time, it deems necessary a further development of the activity of the Communists working in the trade unions and trade union practice.

Our economic macromanagement system enhances the independence and responsibility of local organs. This ensures greater possibilities for the trade unions also and calls for a further development of their activity, in particular, at workshops and working sites.

The situation and tasks demand that trade unions better adapt their activity in furthering the effectiveness of economic management to changing conditions. It is in the interests of society and the collectives that trade unions use their means as a movement and espouse the initiatives of the working people in order more vigorously to support more efficient production and better management. The trade unions should promote the creation of closer harmony between the requirements of economic management and work movements, the objectives and pledges of the socialist work competition and bridgade movement.

The trade unions should further strengthen their activity in representing and protecting interests. They should take more into consideration the different specific interests of individuals social strata, vocations, and sectors of employment. Within their framework, they should provide greater scope for groups' interests to be better manifested and for their correlation.

Keeping in mind the country's means and members' realistic aspirations, they should work out proposals to set priorities regarding tasks under the standard of living policy and the development of social and wages policy. They should pay greater attention to protecting the interests of youth and the position of pensioners and people with large families. Local endowments and possibilities should be carefully considered also in shaping the living and working conditions of the collectives of individual plants and workshops.

The role of the trade unions is increasing in the intensification of socialist democracy. They should develop democratic forums and improve their operation. They should inform the working people better than heretofore and solicit and consider their remarks and proposals.

The Central Committee agrees with the fact the trade unions are striving to strengthen the democratic character of their internal life, develop the nature of their work as a movement, and improve their education activity. It approves of the fulfillment of the trade union goal of basing tasks more on members' voluntary social work and of the tightening of relations between the elected organs and members.

3. The trade unions' participation in preparing for fairly significant decisions and in developing national and local plans is assured in our country. To strengthen the socialist system, state and economic organs and the trade unions cooperate at every level.

The National Trade Union Council and the Council of Ministers should coninue the practice of regularly reviewing and discussing the most important topical joint task. Closer and more systematic cooperation between branch and regional trade union organs and ministries, major official organs, and councils is also desirable. Effective cooperation between enterprise economic managements and local trade union organs is just as important.

4. The party exercises its leading role in our society while respecting the independence of state and social organs. It is necessary to enforce the principle and practice at every level of party work that the party influences and guides trade union activity by ideological and political means through the communists working in them. This means a political orientation and calls for a high standard of persuasive activity. The party should see to it that the political conditions for the trade unions' autonomous activity be obtained and that the trade unions suitably avail themselves of their lawful rights.

The Central Committee will make public its position concerning the development of trade union work and the party's tasks in full.

III.

The Central Committee discussed and accepted the proposal to abolish the districts and adopted a position on aspects of the further development of local party, state, and social direction.

1. The Central Committee concluded that the districts, as units of public administration, have fulfilled an important role in the country's political, economic, social, and public administration system for a long time. District party, state, and social organs have operated successfully. However, social and economic development has gone behond their functions. At the same time, the independence of cities and villages has increased and the work of local organs has improved, so that they are capable of fulfilling greater tasks than the present ones.

Therefore, the Central Committee agrees that the districts, as units of public administration, be abolished as of 1 Jan 1984. It expresses its thanks and recognition to the members, leaders, and working people of district organs for their socially important work. It will count on their activity in party and council work and in other areas of work in the future also.

2. The bulk of the district offices' competence will be transferred to the village councils. It must be seen to that the affairs of citizens be settled primarily where they reside. From the viewpoint of direction, village councils -- and likewise, cities -- will come directly under the counties. In view of the fact that prerequisites are not yet everywhere at hand for this, the counties will ensure the direction of some village councils for a certain period through the participation of cities and large villages designated for the task.

3. The role of elected local organs should be enhanced, the standard of the work of party and administrative organs should be raised, and the public character and social supervision of state activity should be improved.

The independence of city and village councils should increasingly unfold in an economic respect also. It is necessary to strengthen the economoc basis of their independence and their interest in and responsibility for augmenting and effectively using material resources.

Cooperation, based on common interests, among local councils, economic units, and residents in the development of settlements should be fostered. The forums of residents should play an increasing role in discussing local problems, defining means for resolving them, and overseeing implementation.

4. According to characteristics, the structure of courts, prosecuting organs, the police, people's supervision, and other state organs should be adapted to the change in public administration.

5. The Central Committee has decided that, simultaneously with the further development of local state direction and public administration, it abolishes the district party committee. It bestows their functions and competence on the city party committees and large village party committees designated for the purpose. The party committees of large villages with city rights will come directly under the direction of county party committees.

The Central Committee recommends that the mass organizations and movements adapt their regional organs, in accordance with their characteristics, to the changes in public administration and the party's organizational structure.

IV.

The Central Committee is cognizant of the report on topical economic issues and main experiences of the economic management of the past three-quarters of a year. It reviewed the measures made to alleviate drought damage and additional related tasks.

The Central Committee has been informed about preparations for the 1984 plan for the people's economy and state budget and about activity concerning the development of the system of economic macro-management.

Highly valuing the economic results that have been attained through considerable effort and taking stock of the shortfalls and difficulties experienced in some areas, the Central Committee emphasized that increased efforts are needed to fulfill this year's plan.

BUDAPEST PARTY ELECTS JASSO NEW SECRETARY

LD182156 Budapest MTI in English 1729 GMT 18 Oct 83

[Text] Budapest, October 18 (MTI) -- At its Tuesday's meeting the Budapest Party Committee heard a report of Laszlo Marothy, member of the HSWP Political Committee and the first secretary of the Budapest Party Committee, on the October 12 meeting of the HSWP Central Committee. Then the Party Committee passes decisions on issues connected with personnel.

The Party Budapest Committee accepted the resignation of its secretary Sandor Somogyi, while recognising his merits. He is to retire but retain party membership. The Party Committee elected Miahly Jasso, the first secretary of the Party Committee of Budapest's 12th district to replace him.

On the occasion of his retirement, Sandor Somogyi was awarded the Order of Merit of the Red Banner of Labour, in recogntion of his long service in the labour movement and his career as the secretary of the Budapest Party Committee, by the Presidential Council.

MSZMP'S NEMETH ON TRADE UNION PROBLEMS

AU182047 Budapest NEPSZABADSAG in Hungarian 15 Oct 83 p 3

[Article by Karoly Nemeth, MSZMP Politburo member and Central Committee secretary: "Current Aspects of Our Trade Union Policy; written by Karoly Nemeth"]

[Excerpts] In our country, the rights of trade unions are secured by law, and application of their rights enables unions to properly represent and defend their numbers' interest. Thus the harmony between rights and obligations is increasingly realized. There are cases, however, where some trade union officials, stewards, and activists do not have adequate knowledge of the rights and hesitate in their application. It can be generalized that few members exercise their right of initiative, recommendation and control, and that timidity is reflected in reports on the activity of the job-site leaders, too.

Among the legitimate rights of the trade unions, I would stress the right to veto, the exercise of which requires major political responsibility. The application in due time of the veto enables them to avoid mistakes and deepening of conflicts. Representing the working community, the trade union syndicate can exercise objection and veto against possible violations of law and incorrect actions. In such cases the measures objected to cannot be carried out until the superior economic and trade union organs jointly decide the fate of such measures. The trade union committees have been, and still are, applying the veto right in cases of inadequately prepared adjustment of the norms, decisions on wages, and internal organization of work and manpower redistribution. Last year, the veto right was exercised in 170 cases, mostly with justification. The majority of these cases could have been avoided with more careful work and timely reconciliation.

In earlier periods, socialist competition played an important role in achieving our social and economic goals. In the most recent years we witness socialist competition coming to a sudden standstill. Debates are being held in wide circles concerning its place, role and future, partly because its content has become unclear due to its formal features. One hears such opinions, too, that decline in competitions is the result of more moderate economic development and changing circumstances. There is indeed such a connection, but it would be a mistake to attribute the standstill only to this. The root of the matter is the movement was unable to renew itself, which was not the workers' fault. There are clear reasons for this, too. In many places, moral qualities, initiatives stemming from below, self-assumed activity, and enthusiasm are not adequately appreciated.

Socialist competition can become a driving force only when its goals at working places are strongly linked to the accomplishment of the most important economic tasks. The socialist competition and socialist brigade movement must be freed from the shackles of formality because sham-achivements and window-dressing methods lead to and strengthen cynicism, particularly among the youth. The people can and must be mobilized, challenged to competition and organized for social work solely for logical goals.

Since competition is a job-site movement, the work collectives should have major autonomy in organization, appraisal, and estimation of the people's work and behavior and their material and moral reward. The economic leaders have a vital role and responsibility in realization of the conditions. The trade union and party organization should see to it that they strengthen the spirit of community, respect for work, vocational honor, voluntary activity, and desire for action.

By assessing the trade unions' situation and activity, we evaluate, at the same time, the activity of the party and the communists in this field. The party created the political conditions for the trade unions' autonomy, and the comunists carry out honorably their party assignments and successfully work in their function. Nevertheless, we must self-critically talk about the inadequacies in party leadership. A number of party organizations and party members are insufficiently aware of the principles and practices of party leadership. This leads to attitudinal and procedural problems. It still happens that the trade unions' autonomy is violated by unjustified interference, a sort of patronizing. In certain cases a lack of understanding of the trade unions' role and sphere of authority can be found. Some party members find it a fault and ask why the party organizations and party stewards do not have rights and possibilities similar to those of the trade union stewards. In certain cases, the party organizations make decisions also on issues which come into the trade unions' competence and do not require party opinion.

Raising the standard of party guidance is an indispensible prerequisite for further development of the trade union movement. The trade unions cannot do without the party's ideological-political guidance; their goals can be achieved only through the assertion of the party's leading role and policy, along with socialist development. Our experiences prove that correct relations between the party and the trade unions can develop only on the basis of the party's policy, which is free of distortions, its practice, and its proven style of work, and on the basis of mutual trust.

The party will continue to assert its policy by ideological-political means and through the communists active in the trade unions in the future, too. That means political influencing and requires continuous orientation and persuasion work. The party must see to it that the political conditions for the trade unions' autonomous activity are present everywhere and that they may exercise their rights assured by law. It must be made known that these are rights the working people exercise through the trade unions.

The party organizations should defend the trade union officials when they support the upholding of our law and the just and reasonable interests of the working people. They must be encouraged and helped to take a firm stand against unfounded and unjust demands and, taking into consideration the real situation, to represent with responsibility the working people's interests.

In our country, relations between the trade unions and state economic organs are settled on the basis of principles. It is the party organizations' obligation to promote continuous, substantive cooperation between the state, economic, and trade union organs. They should ensure that the positions of trade union and state organs adjust themselves to reality, harmonize, and obtain proper political support. If necessary, the party organs and organizations should take it upon themselves carefully and thoroughly to analyze disagreements occurring in the course or work and politically to aid in solving the problems. Trade union opinions and suggestions should be paid more attention to for a more thorough preparation of the political decisions, and at the same time, the communists active in the trade unions should receive adequate political information for their work. Our party will continue to do its utmost in the future, too, to see to it that the trade unions suitably fulfill their mission.

WARSAW ON DETERIORATION OF U.S.-PPR RELATIONS

LD181453 Warsaw International Service in English 2230 GMT 17 Oct 83

[From the Panorama program]

[Text] In Panorama now, yet another international topic: the increasingly dangerous course of American foreign and military policies, which are being viewed with anxiety even by Washington's closet allies. Daniel Lulinski writes for Panorama that Europe does not wish to become a Euroroshima and needs a revival of the detente dialogue and fruitful international cooperation. In the comment which follows Daniel Lulinski looks at President Reagan's policy vis-a-vis Poland.

[Unidentified reader] Small wonder then that the policy of President Reagan, who, for the sake of America's imperial goals, is creating a specific war state, is arousing increasing anxiety, criticism, and rejection also among people in this country. It must be stated frankly that through his policy the present American President has succeeded in strongly undermining the opinion of the United States by the majority of Poles. America's prestige has sharply dropped and is continuing to decline in Poland. Through his policies President Reagan is seeking, with premeditation, to ruin all that had been achieved over the years in the development of American-Polish relations. For the last 3 years the administration in Washington has been waging a propaganda war against Poland and applying economic restrictions, damaging the living standards of the Poles; and it is accompanied by brutal interference in the internal affairs of this country. Never in the history of contemporary Polish foreign policy has another country, with the exception of Nazi Germany, conducted so brutal and hostile a policy as the United States today in its attitude toward Poland. This is entirely because Poland is a socialist state that has proved capable of resolving her own problems independently, in spite of United States' pressure, and because she had not allowed herself to be used as a match to set peace aflame in Europe.

This is a policy founded on illusory concepts and misguided premises. It disregards the irrevocable fact that Poland today is not alone, that she has powerful and unfailing allies. Her membership of the Warsaw Pact is a guarantee of her security and independent statehood. It is regrettable that various anti-Polish actions and spectacular moves encouraged by Washington occur also in certain other Western countries. Attempts are being made there, even under the guise of the Nobel Peace Prize, to create all manner of material and political incentives for the internal opposition in Poland, to sow discord among the Poles and to extend the conflict in this country. It is obvious that the so-called Polish issue is needed by Washington and its eager allies to uphold the tensions in East-West relations; perhaps the Polish issue is needed also to draw the attention of Western European societies from the planned deployment of American nuclear missiles in that part of the continent.

We here are convinced that sooner or later, this or the next American Administration will understand the folly and the senselessness of its Anticommunist obsession. A policy guided by such an obsession is also damaging very specifically the interests of America, while the insistence on the policy of confrontation threatens America's isolation in East-West relations in Europe.

JARUZELSKI, JABLONSKI GREET GDR LEADERS

AU111516 Warsaw TRYBUNA LUDU in Polish 7 Oct 83 p 1

[Greetings message from Wojciech Jaruzelski, PZPR first secretary and chairman of the Council of Ministers, and Henryk Jablonski, State Council chairman to their GDR counterparts on the 34th anniversary of the GDR]

[Text] To Comrade Erich Honecker, SED Central Committee general secretary and GDR State Council chairman; and to Comrade Willi Stoph, chairman of the GDR Council of Ministers, in Berlin:

On the occasion of the 34th anniversary of the emergence of the GDR, in the name of the PZPR Central Committee, the State Council, and the Government of the Polish People's Republic, we send you, the friendly people of the GDR, the SED Central Committee, the Council of State, the Council of Ministers of the GDR, and you, our sincere greetings and congratulations.

The emergence of the GDR, the first German workers and peasants state, was a historic event that crowned the dedicated struggle of generations of German democrats, revolutionaries, and communists.

Thanks to the fact that it embarked on the road of building socialism, the GDR has accomplished great things in the course of the 34 years of its existence in the comprehensive transformation and development of the country, under the leadership of its Marxist-Leninist party -- the SED -- has taken an appropriate position in international society.

The GDR is making an active contribution to the struggle for peace, security, and protecting humanity from the threat of nuclear destruction through its close alliance with the Soviet Union and other countries of the socialist community.

The decades during which the Polish People's Republic and the GDR have been neighbors and have been unified in their ideological goals and proletarian internationalism, have strengthened the friendship and fraternal cooperation between our peoples, which is the inviolable, historic achievement of socialism and is the cornerstone of the postwar peaceful order on our continent. In cooperating with the USSR and other members of the socialist community, both our countries will resolutely oppose all attempts to undermine the development of territorial and political reality in Europe.

We take great pleasure and satisfaction in noting that the decisions made during the visit of the GDR party-state delegation to Warsaw serve to activate our mutual relations. They strengthen the multilateral cooperation between the Polish People's Republic and the GDR, and make a contribution to the consolidation of the community of socialist states and the forces of socialism and peace in the world.

On your National Day we wish the fraternal people of the GDR new and important successes in the further construction of the developed socialist society. We also ask you to accept our warmest wishes for good health and success in your personal lives.

Wojciech Jaruzelski, PZPR Central Committee first secretary and chairman of the Council of Ministers of the Polish People's Republic; Henryk Jablonski, chairman of the Council of State of the Polish People's Republic

PAP REPORT ON URBAN'S 18 OCT NEWS CONFERENCE

LD182251 Warsaw PAP in English 2003 GMT 18 Oct 83

[By Stanislaw Filipczak and Malgorzata Tryc]

[Text] Warsaw, 18 Oct -- The government press spokesman here today presented the Polish Government's stand on the deployment, in response to American missiles to be sited in Western Europe, of Soviet medium range missiles in European socialist countries as announced by Marshal Kulikov in his interview for the APN and reprinted by today's TRYBUNA LUDU. At a press conference for foreign journalists accredited in Warsaw Minister Jerzy Urban quoted the Polish leader as saying recently that "Poland fully supports Soviet policy in this respect and is totally prepared to cooperate in the defense of the Warsaw Treaty member countries in the way stemming from the diversion of tasks within the Warsaw Treaty".

Much attention at the conference went to issues of the 37th CMEA session. Minister Urban told journalists that the debates will focus on "the questions of fuel and energy, raw materials and food production".

"Poland is vitally interested in tightening cooperation within CMEA as one political and economic entity, first and foremost, however, in integrating the CMEA and next, against this background, in developing bilateral relations. Our strivings for integration and economic cooperation also result from political premises. The capitalist world attempts to build fences around the socialist world, it employs various forms of discrimination in trade and financial dealings. That requires appropriate self-defense," Urban said.

"Poland", continued Urban, "opts for openness in international economic relations if they are established in tune with principles of equality, mutual benefit and are devoid of politically-motivated restrictions." Such a stand will be presented by Poland at the CMEA session.

Replying to another question, Minister Urban said that Poland does not consider integration unlikely if not followed by proper kind of reforms in other socialist countries. The thing is to integrate the organisms as such, added minister Urban.

Minister Urban criticized interpretations by some Western agencies of an interview granted recently for PAP by Adam Lopatka, head of the Office for Religious Affairs and recalled excerpts that proved an improper approach to the questions dealt and next reported on. The minister also quoted excerpts from the Political Bureau's report read at the 13th PUWP CC plenary meeting by CC Secretary Jozef Czyrek that clearly deny the Western version of the Church-state development of relations in Poland.

Many questions dealt with the reasons for summoning Father Jankowski from Gdansk to the prosecutor's office. Jerzy Urban said that Priest Jankowski was called in by the prosecutor to hear charges from Articles 194, 270 and 271 of the Criminal Code dealing with the violating freedom of conscience and religion detrimental to Poland's interests, abusing and insulting the Polish nation in public, its political system and bodies and disseminating false news seriously hurting Poland's interests. Father Jankowski asked that the charges be levelled in writing. Possible bringing an action against him to the court is dependent on the results of investigation carried out at present.

Jerzy Urban opposed to any analogies to be drawn between the Polish authorities' protest over granting Lech Walesa the Nobel Peace Prize and a similar case of 1936. All such analogies are disgracing Poland's authorities. Also insulting is the way of treating Poland's protests against such wordings as "military junta" or "totalitarian regime" used by Western statemen in respect to Poland. The Nobel Prize to Walesa "generated a campaign of slanders against the Polish authorities and one can hardly expect them to say it served the improvement of relations..." In this context, Jerzy Urban said that the Nobel Peace Prize has been seriously depreciated not for the first time in history, recalling other Nobel peace laureates, namely Menachem Begin and Henry Kissinger.

REPORT ON JARUZELSKI ADDRESS TO 13TH PLENUM

AU181254 Warsaw TRYBUNA LUDU in Polish 15/16 Oct 83 p 1

[Report on speech by Army General Wojciech Jaruzelski, first secretary of the PZPR Central Committee, at the 14 October session of the 13th PZPR Central Committte plenum devoted to the party's ideological tasks in consolidating the decisive role of the working class in the socialist development of Poland]

[Text] In opening the discussion, W. Jaruzelski cordially greeted the members of the central party authorities who were present, as well as all the invited guests, and stressed that the 13th plenum is the first session of the PZPR Central Committee to be held after the lifting of martial law.

As far as importance is concerned, he said, the 13th plenum can be compared to the seventh PZPR Central Committee plenum, which was the first to take place after 13 December 1981. We decided then, W. Jaruzelski recalled, on the goals for party activities in the struggle for normalization, which is increasingly becoming the order of the day, and is the main and primary condition for success in our pursuit of the goals mapped out in the resolutions of the Ninth PZPR Congress. It is in view of this, W. Jaruzelski stressed, that our discussions will be exceptionally significant.

The 13th PZPR Central Committee plenum is devoted to the discussion of the following:

first, the goals and current problems facing the party's ideological work, as well as the assumptions of the planned celebrations of the 40th anniversary of the PPR;

second, the assumptions of the cadre policy;

third, the assumptions of the accountability-electoral campaign in the party.

Some 20 years have elapsed since the last PZPR Central Committee planum, which made an in-depth examination of the problems of ideological work, Wojciech Jaruzelski recalled. That was also the 13th plenum, and took place from 4-6 July 1963. That was definitely too long ago, W. Jaruzelski stressed, and it did nothing to help improve our party's ideological fitness. As a result of this, W. Jaruzelski continued, we tackled certain ideological issues at least three times after the Ninth PZPR Congress, at the 7th, the 9th and, above all, at the 12th plenum.

The current 13th plenum will be devoted primarily to these issues. Preparatory work for the 13th plenum began in the early spring, and the discussions and decisions of the 12th Central Committee plenum of the 31 May 1983 were and are an integral part of the 13th plenum. We stablished, W. Jaruzelski continued, a good position for further activities and used the time that has elapsed since then for intensive work.

Many important activities, Wojciech Jaruzelski then said, have taken place since then. The first secretary of the PZPR Central Committee recalled the most important activities in brief, especially those which were the result of the resolutions of the 12th PZPR Central Committee plenum.

The problems of the 12th PZPR Central Committee plenum were discussed by all party cells and organizations at their meetings, during the activities of their lecturers, and in party training programs in view of the current sociopolitical situation and its determinants. The problems of the younger generation were looked into, and an important event that took place was the all-Poland meeting of PZPR youth aktivs in Gdansk. An appraisal was made of the implementation of the tasks of the government program to improve the conditions necessary for younger people to make a start in life and a career.

A scientific-ideological conference was also held on the occasion of the 100th anniversary of the death and the 145th anniversary of the birth of Karl Marx.

Progress was made in work connected with the establishment of the Academy of Social Sciences and ideological-programmatic assumptions for the 40th anniversary of the PPR were drafted. Party cells and organizations made an active contribution to the implementation of anti-inflationary and savings measures, as well as to the work of the social controls.

Wojciech Jaruzelski also reported that there had been 26 sessions of the Central Committee's problem commissions since 1 June 1983, and that ideological problems had been tackled at all of these.

Report and consultation meetings of the members of the central party authorities took place in July and October. It was during these, W. Jaruzelski said, that we tackled many important issues. We all agreed that an ideological declaration had to be adopted by the all-Poland party conference so that the conference would, in this way, have ideological and political significance.

Our plenum, W. Jaruzelski emphasized, is one of the testimonies of the concern shown for unity between theory and practice. This is also why we are making the issue of our cadre policy the order of the day along with issues concerning the development of social consciousness.

The first secretary of the PZPR Central Committee reminded us at this point that the documents concerning this policy were subjected to a detailed analysis during preparations for the plenum. In this way, he then said, the 13th plenum will, for the first time in the history of our party, make a complete examination of not only the general principles, but also of the proposals contained in documents regulating certain issues in our cadre policy.

W. Jaruzelski also drew attention to the fact that decisions concerning the PZPR's accountability-electoral campaign should also be made at the 13th PZPR Central Committee plenum.

WARSAW TV CITES GUS DATA ON ECONOMIC PERFORMANCE

LD181952 Warsaw Domestic Television Service in Polish 1830 GMT 18 Oct 83

[Text] The economic situation is the first domestic topic of this news bulletin. The Central Office of Statistics [GUS] has published information on this subject today. This time the reports presented by the GUS cover not only the data for September but also for the first three-quarters of the year, so we have an opportunity to look at the economy in the longer view.

The basic indicators give a moderately positive picture. Industrial production during the three-quarters of this year increased by more than 8 percent. However, this is true mainly for the raw material industries. Progress in the sphere of market goods is still slight. This is, after all, visible in shops. All in all, advancement of the annual plan is not too bad and it is envisaged that this plan might be exceeded by several percent. Labor productivity is improving slowly. It went up by almost 10 percent during the first three-quarters of the year but in certain spheres utilization of time is still very low.

We have almost complete results for the year in the sphere of agriculture: 22 million metric tons of cereals have been harvested. It was a good year because there are almost 1 million metric tons of cereals more now than in the last season. There is a similar situation as far as potatoes are concerned. Crops were good there, too: 36 million metric tons, although not all potatoes have been collected yet. Procurement of cereals, rape seed, and potatoes is higher. The situation in housing construction is also better. During the three-quarters of the year 87,000 apartments were handed over for use, that is an increase of 15.5 percent. However, it is necessary to remember that the level of construction work is considerably lower now than several years ago.

And now a few words about the dangers. Outlays for investment projects have been increased, but the plan for the three-quarters of the year has been implemented by only about 61 percent. We still build industrial enterprises badly. As a result, the money intended for construction of industrial enterprises which are not yet productive, will go to the market and will clash with the lack of goods. This money creates inflation. And another danger: The speed of market production is lower than the increases in wages. However, a certain calming has taken place in recent months in regard to the correlation between increased labor productivity and increased remuneration. These relations are now more realistic. Incentive systems are slowly being put into effect, but it is still difficult to predict whether this progress will be permanent. At any rate, the principle that increased remuneration is necessary but only when production grows proportionally, especially market production, is becoming increasingly more common.

A substantial increase in exports and imports -- by 14 and 16 percent respectively -- was noted in foreign trade, although September's results were not as good as last year. Employment in the economy fell by more than 0.5 percent. In September there were 327,000 job vacancies, and only 8,000 people were looking for jobs. And finally, the monetary and market situation. In the first three-quarters of this year the rate of growth of monetary income was lower than that of expenditure. If one takes the period of the 9 months of 1982 to be 100, the rate of income amounted to over 128, whereas the rate of expenditure amounted to 134. This means a slightly higher rate of growth of expenditure than of monetary income.

Economic Performance Discussed

LD190330 Warsaw PAP in English 2018 GMT 18 Oct 83

[By Aneta Dylewska and Janusz Zaleski]

[Text] Warsaw 18 Oct -- "One can say that results scored in the first three quarters of this year point to improvement becoming noticeable in many important areas. The pace of this improvement is still slow, we still observe numerous tensions and threats but one can already clearly notice positive phenomena," chairman of the Chief Statistical Office (GUS) Professor Wieslaw Sadowski told a news conference held at the Government Press Center to discuss Poland's economic situation after three quarters of this year.

He said the situation was marked by the following phenomena: the rise in material production, especially the growth of the production of the processing industry and the construction and assembly production, the crops of the main agricultural produce higher than last year and higher volume of the purchase of the farm produce with some difficulties in animal production taking place however, an increase in investment outlays coupled with a small degree of commissioning investment projects and the growth of the number of flats handed over for use in the socialized housing construction.

Examining the situation in the socialized industry, the GUS chairman said that the sold industrial production rose by 8.2 per cent (including the mining industry by 2.4 per cent and of the processing industry by 8.7 per cent) during three quarters of 1983 against the same period in 1982. Productivity per one employee in the socilized industry went up by 9.7 percent during the three quarters of 1983 against the same period in 1982.

Reviewing agriculture, Professor Sadowski considered the plant production as good, stressing that the 1983 crops of all main kinds of the agricultural produce are higher than the 1982 ones and the purchase of bread cereals till the end of September 1983 was by 75 per cent higher against the same period in 1982. As for animal production, no essential change took place in this area and some threats occur there.

An analysis of the money-market situation indicates tendencies to arrest the drop in real wages in the four main branches of the economy, that is, industry, trade, construction and transport, said Professor Sadowski.

Characterizing the situation in foreign trade, the GUS chairman said that exports during three quarters of 1983 were higher by 14 percent against the same period in 1982 and imports by 12 per cent, according to prices in foreign trade. The deficit in trade with socialist countries rose to 23.1 billion zlotys at the end of September 1983. On the other hand, the surplus in trade with the dollar zone countries went up in this period to 97.0 billion zlotys, Professor Sadowski said.

Answering questions Professor Sadowski said that the extracting industry was now utilizing 100 per cent of the existing productive capacity, while the processing industry -- 75 per cent. Industrial output last September was 15 per cent lower than in September 1979.

A Government Spokesman Jerzy Urban, who was also present at the conference, said: "None of the existing prognoses allows to expect any substantial improvement in our trading and financial relations with the West. Everything indicates that the West seeks continuation of its policy of pressure on Poland, to cause accumulation of the losses, pressing on Polish economy as the result of sanctions and restrictions initiated by the U.S. and accepted by NATO countries." Jerzy Urban also pointed out that at least stability, if not improvement, has been achieved in the real living standard and real income.

WARSAW ON DEADLINE FOR AMNESTY LAW APPLICATIONS

LD181836 Warsaw Domestic Servcice in Polish 1800 GMT 18 Oct 83

[Text] The deadline for the voluntary disclosure of criminal activities envisaged under the Amnesty Law is 31 October. So far 426 perpetrators of crimes covered by the clemency law who had not been charged with committing such acts prior to the lifting of martial law have availed themselves of the law. The Amnesty Law, although it embraces criminals other than political ones, is addressed particularly to the latter. It is also typical that there is no obligation to provide information about one's collaborators and no need to sign a declaration of loyalty. The law requires, however, that the current legal system be observed in the future.

COUNCIL OF MINISTERS APPROVES ECONOMIC REFORMS

AU131520 Warsaw RZECZPOSPOLITA in Polish 6 Oct 83 Supplement ECONOMIC REFORM pp 1-4

[Unattributed report in the supplement ECONOMIC REFORM: "The Lines of Strengthening the Principles and Improving the Mechanisms of Economic Reform as of 1984, Approved by the Council of Ministers on 16 September 1983"]

[Text] The "Lines of Economic Reform" adopted by the ninth party congress and approved by the Sejm envisaged that the process of achieving the final shape of the reform will call for application of the so-called provisional solutions during the period necessary to overcome the profound imbalance and structural disproportions of the economy. The experience of the first 2 years of the implementation of the economic reform has verified this provision.

The process of implementing the economic reform has now entered a second stage. In 1982-83 the foreground of the reform has been created and strengthened, the future external and internal conditions for economic development have been examined more effectively, and extensive positive and negative experience in applying the reformed rules of economic management has been gathered. General economic conditions have improved, production has begun to increase, and despite great difficulties, clear progress has been achieved in restoring economic balance. All this has created a premise for gradually eliminating or modifying provisional solutions to achieve the final system of economic performance.

The introduction of system improvements should increase the effectiveness of economic mechanisms in implementing the tasks mapped out by the national socioeconomic plan. The primary issues are to:

-- increase economic pressure on enterprises so they increase production and economic management effectiveness by lowering costs; boosting labor productivity, achieving consistent progress in the use of energy, fuels, and materials; improving the quality of production; and promoting correct management of production assets;

-- restore the balance of the market and to counter inflation, particularly by shaping the incomes of enterprises and workers in close relation to actual production results and improved economic management;

-- increase the interest of enterprises in creating and exploiting scientific-technical and organizational progress;

-- develop conditions and mechanisms favorable to structural transformations in the economy so that production and investments can better cater to the needs of the people;

-- boost export production and increase Poland's role in the international division of labor.

The consolidation of current changes in the organizational structure of management, further transformation of this structure, and the development of higher forms of organizing economic activities will be an important line in strengthening the principles of the reform. The new stage of transforming the performance of the economy also calls for raising the effectiveness of the central economic management in line with the principles proposed in the "Lines of Economic Reform."

Work force participation in management will become a general practice in 1984-85. New social phenomena will be developed both inside and outside enterprises, and should be

subjected to consistent and penetrating analyses. The correct development of workers self-management bodies will call for perseverance and consistency in implementing the adopted principles in line with which the work forces share in enterprise management, and for exploiting the experience of workers self-management for various purposes, including possible modifications of the existing law. Proposals in this regard will be formulated later on the strength of a comprehensive analysis of the performance of workers self-management bodies in 1983.

The following lines to strengthen principles and improve the mechanisms of economic reform apply to general solutions. It is also necessary to review and change so-called detailed solutions in order to make it possible to make allowances for the specifics of the individual sphere of social and economic life (culture, health protection, farming, transportation, small production, trade, and so on) in the process of economic reform.

I. The Principles of Mechanisms of Managing Production Factors

1. Employment

Current manpower resources and their estimated increase in the next few years indicate that they may help check the rate of overcoming crisis manifestations in the national economy and may become a real barrier to economic growth and structural changes. These dangers are the result of:

-- the present incorrect deployment of manpower resources in the sectors and branches of the economy and in the regions of the country;

-- decreasing increases in manpower resources and the decrease in the population's job militancy;

-- unfavorable phenomena in the manpower market (excessive turnover, the outflow of workers from some socially necessary job sectors and from heavy work, and "stealing" of workers).

Measures along three fundamental lines will be taken to overcome these dangers:

a) rationalization of employment in enterprises in order to release labor surpluses and to improve the internal structure of employment;

b) development of conditions to facilitate the necessary transfers of labor resources to sectors and branches of the economy and the regions;

c) stimulation of the population's production militancy through providing the necessary incentives and facilities to take up jobs.

1-1. Rationalization of Employment in Enterprises

To increase the effectiveness of the systems-type impact on rationalization of employment it is necessary to:

a) consistently implement the principle that enterprises are self-financing, follow the policy of tight money, and take advantage of the law on improving the management effectiveness of enterprises and the law on bankruptcy so as to eliminate the enterprises that are permanently ineffective, especially in the regions in which labor shortages are acute;

b) maintain the basic principles, which are valid this year, relating to contributions to the State Vocational Activization Fund and modify the extent of the contributions and the criteria for tightening corrective factors;

c) create a legal basis for independent activities by enterprises in the sphere of devising their own motivation systems, which should be implemented when agreement is reached between workers self-management bodies, management, and trade unions;

d) stimulate the militancy of work forces in order to improve the internal structure of employment and work out model organizational schemes adjusted to the various types of enterprises;

e) inspire and support the development of cooperation between enterprises on one hand and units specializing in work norms, scientific institutes, and consultant enterprises that offer services in work organization on the other.

1-2. Transfers of Manpower Resources to Sectors and Branches of the Economy and to Regions

In order to ensure the necessary inflow of workers to enterprises and the branches of the economy that are of basic importance for implementing economic tasks, the following measures will be taken:

-- suitable wage preferences will be developed with the help of the mechanisms of economic reform;

-- a program for actively utilizing the resources of the State Vocational Activization Fund will be operated in order to attract and train workers in the trades where there is a great shortage and to finance the development of enterprise vocational schools in the sectors and branches of the economy where labor shortages are particularly great;

-- job information and placement facilities based on a system of analyses and forecasts concerning the national and local labor markets will be established.

1-3. Production Activization of the Population

Measures will be taken to increase the degree of the population's production militancy. In particular:

-- further facilities will be created to selectively expand the possibilities for and forms of employing persons who have retired and women who are on leave to care for their children; these facilities will be created for trades in short supply as well as for the branches and sectors of the economy and individual enterprises where the shortage of manpower is a barrier to increasing production, and for the country's regions in which manpower shortages are especially large;

-- facilities will be created to extend the range of cottage production by making enterprises economically interested in this form of increasing production;

-- possibilities will be created for establishing workers partnerships [spolka] in enterprises;

-- possibilities will be created for using the resources of the State Vocational Activization Fund for establishing a network of creches and kindergartens in specific regions of the country.

2. The Management of Raw and Other Materials

In order to improve the management of raw and other materials under the conditions of the persistent shortages in the supply flows of producer raw materials and manufacturing materials it is necessary to:

-- make changes in the system of the supply flows of producer raw materials and manufacturing materials in order to increase the effectiveness of the supply flows of consumer goods, especially relating to production that is of decisive socioeconomic significance;

-- increase economic pressure in order to boost the conservation and effective use of energy, fuels, raw, and other materials.

The changes in question should accelerate the implementation of the principles of the supply flows of raw and other materials in order to achieve final solutions. It is especially necessary:

-- to curb the allotment of raw and other materials by organizational units;

-- to reduce the scale of compulsory mediation in the sales of raw materials, semi-finished products, and finished products;

-- to simplify the system of priority supplies by basing the implementation of priority tasks primarily on the system of government orders.

The system of government orders will become a permanent element of the mechanism that enables the state to actively influence, with the help of economic measures, the development of the preferred lines of production and the changes in the structure of the economy.

2-1. Priorities of Supply Flows of Producer Raw Materials and Manufacturing Materials

The system of priorities, involving guaranteed supplies of materials, will apply to:

-- production of goods covered by government orders and operational programs;

-- production for the country's defense and security;

-- production of the units entitled to employ handicapped persons;

-- investments implemented under government orders;

-- supplies of materials necessary to implement the scientific research tasks covered by government orders.

In order to ensure the complete feasibility and effectiveness of its operation, the system of government orders will apply only to a strictly limited range of goods so that producers are fully able to obtain the materials in short supply without disrupting other important economic areas.

2-2. Compulsory Mediation in the Supply Flow of Materials

2-2.1. The system of compulsory mediation in the supply flow of selected raw and other materials in short supply will be based on two fundamental principles:

-- the present number of the goods covered by compulsory mediation will be reduced;

-- the units acting as compulsory mediators must observe the lines of allotting the materials covered by compulsory mediation, lines which have been laid down in the central lists of materials; these units will first have to meet the specified needs of those for whom the supply flow has been guaranteed, and only then the needs of other recipients.

2-2.2. Some national enterprises responsible for the supply flow of materials to an extensive cirlce of recipients in various sectors of the economy and the enterprises responsible for wholesale transactions in materials will be transferred to the charge of the minister of materials management. (Decisions on this will be made by the Government Presidium on the strength of the proposals submitted by the interdepartmental working group).

2-2.3. The supervising teams operating in the units that deal with the supply flows of materials and that are authorized to act as compulsory mediators, as a body of social supervision over the correctness of the sales of raw and other materials in short supply, will be maintained and strengthened.

2-3. Central Imports of Raw and Other Materials

In principle, the scale of central imports of raw and other materials will not be expanded in 1984-85 as compared with 1983. What can be changed are the individual items of these imports. It is necessary to increase the role of the minister of materials management in administering hard currency resources used to pay for the central import of raw and other materials. This should help improve the coordination of the supply flows of raw and other materials for the national economy.

2-4. Government Orders

2-4.1. In 1984 and 1985 government orders for the production and supply of specific goods will be the basic instrument of ensuring the implementation of priority tasks of special socioeconomic importance and of providing guaranteed supplies of producer goods and priority purchases for these tasks.

The present range of goods will be expanded to include selected means of production and especially important producer goods, some consumer goods of particular importance for the population, and selected export goods. Government orders will also be used in the case of contracts for implementing especially important central investments and scientific research tasks. The scale and purpose of government orders will be set by the central annual plans, and of scientific research tasks and central investments by the national socioeconomic plans.

2-4.2. In order to ensure the best possible use of resources for the implementation of government orders, the allotments of these resources will be effected on the basis of the best bid, except when there is only one bidder. The basic criteria of bidding will include the quality of the product, its price, and the material intensiveness of production. The purpose of bidding is to place orders with those producers who, no matter to what sector of the economy they belong, are able to offer the largest amount of the product in question and the best possible conditions for implementing the order on the basis of the available production factors affected by various shortages. In cooperation with the units placing their orders, the appropriate ministers will determine the detailed criteria for individual products.

2-4.3. Government orders for production of materials and goods will be placed with producers by the appropriate ordering units that have been authorized to do so by the founding body in charge of their operations (domestic trade agencies, foreign trade agencies, and agencies responsible for the supply flow of producer materials).

2-4.4. A decree issued by the Council of Ministers will lay down detailed principles of the functioning of the system of government orders.

2-5. Reducing the Number of Operational Programs

The maintenance of operational programs in 1984 and 1985 is allowed wherever this is justified for special reasons. The number of these programs will be reduced in relation to 1983. The ordering of production covered by an operational program will be done on the principles applying to government orders (bidding).

3. Management of Fixed Assets and Investments

Corrections and new elements of systems-type solutions are meant to help improve the rational management of fixed assets and to streamline investment activities. A rational exploitation of the assets frozen in halted investments is of special importance. This calls primarily for completing the elimination of that part of the investments previously begun which cannot be finished or effectively used in the future, and which must therefore be totally abandoned.

It is also necessary to settle the debts incurred by enterprises that took loans in order to be able to more fully implement the principle of self-financing, and to settle the principles of financing central investments and lay down the rules by which the sinking fund is divided between enterprises and the state budget.

3-1. Exploitation of the Assets Frozen in Halted Investments

a) The institution of unlimited bids for the assets frozen in halted investments as a result of the review of suspended investments is hereby established. The contracts concerning the investments that have been halted will be canceled. The debts the enterprises have incurred by taking loans to finance these investments are canceled on the condition that the appropriate investors arrange for unlimited bids for the assets represented by the halted investments. The Council of Ministers will lay down the principles of canceling the debts in question.

b) Bids are invited by the investor of the halted investment, provided an active enterprise is such an investor. The investor transfers 80 percent of the money obtained from the sale of investment assets to the state budget and 20 percent to his own development fund.

c) If the investor of the halted investment is an enterprise which is under construction, bids are invited by the appropriate founding body under the liquidating procedures, and 80 percent of the proceeds from the sale of the assets in question is transferred to the central budget and 20 percent to the budget of the local voivodship people's council.

d) The contract on the takeover of the halted investment's assets by the buyer will lay down, among other things, the manner in which the halted investment is to be exploited and financed and where the money is to come from. The completion and operation of the previously halted investment by the new buyer should be financed from his own funds, supplemented, if necessary, by bank loans. The bank will clearly specify the amount of the buyer's contribution from his own funds.

e) If bids are futile, in the case of both b) and c) the appropriate funding body, in cooperation with the minister of finance, will decide what to do with the investment assets in question.

f) Budget resources to finance the cancellation of the loans contracted for halted investments should be provided by the sinking funds transferred to the budget when the fixed assets were revalued and by a part of the money obtained from the sale of the investment assets (this will require an appropriate clause in the successive budget laws).

3-2. Exploitation of the Passive Elements of Fixed Assets

Elements of the fixed assets frozen in halted investments can be sold by the original investor on the conditions defined by the regulations applying to exploiting or liquidating the halted investments. This holds as long as this category of investments exists.

In such a case the chairman of the Polish National Bank lays down the conditions for repayment of loans on the principle that the entire debt and interest are subject to conversion so the buyer is able to repay them exclusively from the sinking fund of the fixed assets and from the nonmaterial and legal values accruing from the takeover of the halted investment. It is possible to cancel a part of the loan on the same principles as involved in halted investments.

3-3. Conditions for Repaying Investment Loans

In cooperation with the Planning Commission and the Ministry of Finance, the Polish National Bank will review the liabilities of enterprises occasioned by investments up to 30 October 1983 and will determine further procedures on the basis of the following principles:

a) With regard to the investments begun before 1 January and continued by an enterprise, the principle is adopted that the value of the sinking fund left at the disposal of the enterprise after the fixed assets have been revalued must not be lower than the value of the sinking fund calculated on the strength of the fixed assets financed by a bank loan during the period in which this loan was being repaid.

b) In the case of projects that are permanently idle, resulting from investments begun and completed before 1 January 1982, and whose exploitation will not be resumed, the loan should be canceled in line with the principles applying to the loans for halted investments (this will require an appropriate entry in the 1984 budget law).

c) In the case of projects temporarily idle that were completed before 1 January 1982, the repayment of loans is suspended for the period during which exploitation of the project is halted. Interest is not demanded for this period. If the temporarily idle projects are assumed by other organizational economic units, the above concession is withdrawn.

3-4. Principles of the Division of the Sinking Fund

a) In connection with revaluing the fixed assets, the sinking fund deductions, which add to the costs of the operation of enterprises, will be increased every year as of 1984. These deductions will reach their ceiling, which is a result of a new value of the fixed assets, within 4 years. Due to the revaluation of the fixed assets, the role of the sinking fund in financing investments will gradually increase.

Estimates indicate that the sinking fund will be almost triple within 4 years. In this situation it is necessary to exploit the allocation of the sinking fund as one of the instruments of economic change.

b) The multiyear solution of dividing the sinking fund between enterprises and the state budget is hereby introduced as a solution. The basic norms of the state budget's share will be defined by the budget laws in 1984 and 1985 and by the national socio-economic plans in 1986-90.

The resources taken over by the state budget on account of the more realistic sinking fund of the fixed assets will be used to finance central investments for material production.

c) In the case of the sectors whose development has been granted priority, systems-type concessions will be practiced and payments from the sinking fund to the state budget will be waived. The necessary decisions on the lines and extent of concessions and waivers will be included in the national socioeconomic plan, and for 1984 and 1985, in the central annual plans.

3-5. Government Orders in Investments

To ensure effective implementation of particularly important central investments, above all those in the field of fuels, energy, agriculture supplies, and health protection, these investments have been included in the system of government orders. The contractors of the selected central investments included in the system of government orders are entitled to guaranteed supplies of fuels and raw and other materials covered by compulsory mediation, and to priority supplies of other materials. It will also be possible to support the contractors of investments by economic-fiscal priorities in line with the generally valid principles of economic policy.

II. Economic Regulators of Enterprises' Performance

1. Prices and Costs

The main purpose of activities in the sphere of sorting the principles of price fixing is to strengthen the role of prices as an external criterion that exerts pressure on the enterprise to improve the effectiveness of its economic management and to block the possibilities for its obtaining unjustified advantages.

State bodies should be able to exert increased pressure on the structure and dynamic of prices with the help of a larger number of the instruments of price policy. For example, they should be able to ban unjustified price hikes, and the Council of Ministers should be able to lay down the maximum indicators governing price increases on specific goods and services. (Such instruments were included in the 21 July 1983 law on special legal enactments during the period of overcoming the economic crisis.)

The impact of the state administration on the level and structure of prices must be better supported by improved accounts and cost records kept by enterprises. These changes should make it possible to separate the costs connected with the changes in the volume of production from the costs of idleness and from the fixed costs of the enterprise.

The following principles of price policy will be observed:

1-1. Balanced Prices

In those sectors of the market where no crucial social counterindications assert themselves, balanced prices should be used since only then do they acquire the characteristics of the external price. The turnover tax that is flexibly applied will make it impossible for producers to achieve higher profits on account of the balanced prices.

1-2. Transaction Prices

It is necessary to revert to an extensive application of transaction prices in the sphere of export accounts between producers and foreign trade enterprises. Transaction prices should be used not only as an element of export accounts, but also, wherever possible, as an instrument of halting price increases by adopting transaction prices as the upper ceiling of the domestic price.

1-3. Prices in Producer Goods Transactions

The range of contract prices in the field of producer goods will be curbed in order to expand the range of official prices. This will be especially so in the case of standard articles, semi-finished products, and standardized and catalogized components of universal application.

1-4. Curbing the Range of Regulated Prices

With regard to final production, especially the production of consumer goods, the extent to which regulated prices are used will be curbed to a minimum. At the same time, the range of official prices will be expanded and contract prices will be used in the case of the goods to which social and economic counterindications do not apply.

1-5. Prices and the Quality of Products

The minister of price affairs, or a body authorized by him, will make greater use of the powers of fixing prices for goods and services of lower quality in cases where the seller who had fixed the contract price did not reduce it in line with Article 14 of the price law. The views of the bodies responsible for controlling prices and the quality issued by the Polish Committee for Standardization of Measures and Quality or by an authorized organizational unity will be taken into consideration when prices are fixed. The seller who has failed to lower the prices will be punished by fiscal sanctions double the difference between the price used by him and the price fixed by the minister for price affairs or by an authorized body.

1-6. Indicating Prices on Goods

In the case of the goods to which official and regulated prices apply, it is the duty of the producer to indicate such prices on such goods. In the case of contract prices it is the trading units that are responsible for indicating prices on goods, unless the sides concerned agree on a different procedure in their contract.

1-7. Ceilings of Price Increases

To boost the effectiveness of price policy, a periodic fixing of the uppermost ceiling of price increases in the case of individual groups of products and services or of individual groups of products and services or of individual branches of production is allowed in line with the 21 July 1983 law on special legal enactments during the overcoming of a crisis. If the ceiling of price increases is exceeded, financial sanctions, which are much higher than the profit resulting from excessive increases of the price ceiling, are applied. The increase in the prices of export goods is not

counted as the average increase in prices if these goods are produced in accordance with transaction prices.

1-8. Bans on Price Hikes

In the case of goods and services the prices of which cannot be affected by the turnover tax or by other methods, the Council of Ministers will issue periodic bans on increasing the prices of such goods and services, except for increases enterprises have no control over. These bans will be issued on the strength of the 21 July 1983 law on special enactments during the overcoming of the socioeconomic crisis.

1-9. Extension of the Category of Justified Costs to Contract Prices

The producers who calculate contract prices are obliged to reckon costs in accordance with the rules defined by the decree on the principles of calculating justified costs.

1-10. New Principles of Cost Calculations

New principles of calculating the cost of industrial production and the necessary changes in the system of cost records will be introduced as of 1984. These new principles will be drawn up by the minister of finance.

The new principles of calculating unit costs -- these principles determine the most necessary minimum extent of the records and calculations of costs binding on enterprises -- should make it possible to standardize the records and calculations of costs in the economy; to determine the level, kind, and origins of costs; and to single out the cost of the idleness of machines and installations.

1-11. Maximum Norms for Consumption of Materials

The minister of materials management will determine which kinds of production, production technologies, and products in general use will be subject to the maximum state norms for the consumption of materials. He will also determine elements of the costs of this production. As of 1985 the minister of finance will add to the categories of unjustified costs and losses cases where the above norms are exceeded.

2. The Turnover Tax

It is necessary to develop the functions of the turnover tax as an active instrument of restoring market balance. In theory and practice it is necessary to clearly distinguish between the fiscal and market functions of turnover taxation, which can influence the relations between supply and demand. A flexible application of this tax should induce producers to lower their costs and increase their production, while improving quality. This should be the only road to improving enterprises' financial results. It is necessary to set up an interdepartmental working team for analyzing the market situation, evaluating the relation between supply and demand in individual markets, and submitting the necessary proposals on fixing the turnover taxation rates, both with regard to the goods in short supply (higher rates) and those in excessive supply (lower rates).

2-1. Taxation on Investment Goods

In line with the 26 February 1982 law on the taxes imposed on the units of socialized economy, the trade with investment goods will be subject to turnover taxation as of 1984. The minister of finance will fix selective rates of this taxation on investment goods and will waive or reduce this taxation in accordance with the aims and lines of central investment policy and of the changes in the structure of the national economy.

2-2. Taxation on Producer Goods

The minister of finance will impose turnover taxation on producer and cooperative goods, taking into account the possibilities for restoring the balance of the flow of consumer goods to the marketplace and making allowances for the policy of production development as laid down in the central plans. The producer and cooperative goods transactions within enterprises (combines) will be exempt from turnover taxation.

2-3. A reduced rate of turnover taxation will be imposed on products from secondary materials and scrap and on regenerated products.

2-4. As of 1984 the minister of finance will begin to gradually transfer the levy of turnover taxation to the sphere of transactions. The range of the goods, in the case of which turnover taxation will be levied in the sphere of transactions with them, should be adjusted to the organizational-technical conditions of transactions (among other things this depends on whether units specializing in transactions, such as the Polmozbyt, the Central Oil Products Enterprise, and so on, are in existence).

3. Taxation on Profits, Dividing Profits

3-1. The present progressive scale of income taxation has been extensively criticized. The progression of taxation rates depending on the level of profitability based on the costs of production radically weakens the incentive to lower costs and to improve the enterprise's fiscal results. The application of progressive income taxation in the first phase of the economic reform was most necessary as a temporary safeguard against the some enterprise's practice of retaining excessive profits under conditions of extensive changes in costs, independent fixing of prices, and the lack of the ground for a complete cost analysis (nonrevaluation of fixed assets).

The present control mechanisms in the sphere of contract prices, the sorting of the problems of turnover taxation and subsidies, the revaluation of fixed assets, and the progressive stabilization of the economy have made it possible to change the method in which profits are taxed. The departure from progressive taxation in favor of proportional (linear) income taxation is a recognized basic line of change.

A moderate taxation rate linked to a corrective system of quotas will be introduced as of 1984. This should make possible a smooth shift from the present taxation system and the new system. The final adoption of the criteria and principles of corrections will follow after the completion of the necessary simulative analysis in all sectors of the economy and after the conditions of economic performance in 1984 have been more fully studied. The new principles of taxation should have a telling effect on improvements in the effectiveness of exploiting the assets (fixed and fluid) of enterprises and should help create strong incentives for production development.

3-2. The present principles of dividing profits remain in force. The only change is that as of 1984 the costs of the activities of voluntary associations will be met by payments from the profits to be divided. The costs of the functioning of obligatory associations will be met as at present; that is, they will be included in enterprises' own costs.

4. Budgetary Subsidies

In order to more effectively implement the principles of stringent financing and to create conditions of economic coercion so as to improve the effectiveness of economic performance and to develop production, the extent and scale of production subsidies will be consistently reduced. In particular, the subsidies for production will be turned into an obvious instrument of price policy.

4-1. Rates of Production Subsidies

As of 1984 the rates of production subsidies will be fixed with the official prices of products or the prices involving subsidies. The rates of subsidies can be fixed in quotas or in percentage points. The quota rates will be fixed for individual products or services and the percentage rates will be fixed in relation to the price of products. Subsidy rates will be fixed at the same level for all producers of the subsidized products and services regardless of the individual production costs. It will be possible to grant extra production subsidies for a specified period to the producers whose production costs are high, provided their production is necessary for social reasons.

The rate of production subsidies can be changed if prices of subsidized products and services are changed and if the prices of raw and other materials are crucially changed or the taxation rates that add to the production costs of the subsidized goods are modified.

4-2. Subsidies Connected With the Use of Certain Raw Materials

Producers of the subsidized products mentioned in 4-1 may, if justified, receive subsidies fixed in accordance with the amount or value of the raw materials used to produce these products. These subsidy rates may be quota rates or percentage rates. The fixing of subsidy rates in relation to the amount or value of raw materials is done only in cases where a number of final subsidized products, such as milk products, are manufactured.

4-3. Size of Resources for Production Subsidies

Production subsidies are granted to the producers of the products subsidized from budgetary resources in the amounts provided for by the budget law, which should authorize the minister of finance to increase the resources for subsidies if the production of subsidized products increases in comparison with central plan indicators.

4-4. Production subsidies will be granted to enterprises that reach their planned production capacities. They will be granted in line with the principles laid down in the 28 June 1983 law on improving the economic performance of the enterprise and the law on enterprise bankruptcy. They will be granted in order to finance the specific tasks allotted to the enterprise or to finance some special costs occasioned by the activities of the enterprise, regardless of changes in the volume of production.

Production subsidies can be granted for a period of time and in an amount specified in advance.

5. Principles of Loans

The basic aim of changes in the principles of granting bank loans to enterprises is to create more equitable conditions for implementing the thesis that enterprises are self-financing. Because the enterprises' own funds are relatively low, many of their needs connected with maintaining the liquid resources required for implementing their economic tasks have to be financed by bank loans, despite the fact that most of these needs are standing needs. In order to strengthen the principle that enterprises are self-financing it is necessary to eliminate loans as a source for financing the enterprises' standing needs, which in principle should be financed by the enterprise statutory fund. Financing standing and temporary needs with the help of the same loan (the basic loan) creates in enterprises an undesirable sense of threat to independence because of the excessive dependence on the bank. Another difficulty is that such financing makes it

impossible in the case of the basic volume of the turnover loans to correctly realize the principle that loans should be repaid on schedule. This is because in practice loans are constantly renewed and, as a rule, enlarged in relation to the growth of stocks as production develops and as stocks are replenished.

It is also most necessary to increase the role of loan interest as a factor in the effectiveness of the management of fiscal resources.

The following solutions have been adopted to implement these aims:

5-1. Long-term Turnover Loans

Part of the debts incurred by enterprises on account of turnover loans to finance standing needs relating to stocks of products is herewith converted to a long-term loan.

The repayment of this loan will be effected by the development fund resources within a period of up to 12 years. The interest on this loan will be charged to the cost of enterprises' performance.

A long-term turnover loan may be canceled only if an enterprise is directly threatened by liquidation or bankruptcy.

5-2. Loans To Increase Stocks of Products

Loans to supplement enterprises' own funds used for financing the increase in their standing turnover needs (stocks), caused by the development of their activities, are hereby instituted.

These loans will be granted for up to 3 years and will be repaid from the enterprise development fund.

5-3. Other Turnover Loans

Temporary loans will be granted to finance seasonal and temporary stocks and will be repaid from enterprises' current income.

Loans will be granted to finance payments that have not been postponed. Such loans will be granted for short periods (up to 6 months) and will be renewed.

In addition, enterprises will be able to apply for loans to cover temporary shortages of resources in their clearing accounts.

5-4. Investment Loans

The principles of granting loans to finance central investments will stipulate that such loans are to be repaid from the development fund resources resulting from the assets created by the investment in question (which is an individual basis for determining the specific period of repayment), within 10 years of the planned completion of the investment, except in the case of the investments in the extracting industry, energy, and agriculture, for which repayments may be extended up to 15 years.

The criteria for granting loans for investments planned by enterprises will be governed by the principle that enterprises must see that their own funds are used to the best possible effect for financing their commitments and that the periods in which loans are to be repaid are cut to the minimum.

When granting investment loans to enterprises, the banks will also take into account the results of the bids invited by enterprises in connection with their investments.

5-5. The Principle of Interest on Loans

The principle that interest should be charged in line with the present rate of interest on the loans granted to the units of the socialized economy should be extended to the investment loans granted to the population and to the units of the nonsocialized economy. The conditions of loans will be determined in line with this principle.

III. Principles of Wage Development, Work Forces' Share in Profits

1. Foundations and Instruments of Central Wage Policy

The years 1981-82 were a period of considerable change in the level and structure of the population's cash income. These changes were caused not only from the systems-type solutions introduced by the economic reform, but also to a great extent by the autonomous decisions of socioeconomic policy. The present proportions of wages require crucial corrections from the economic and social viewpoints. This means that we must devise a long-term central policy of wages and furnish central bodies with instruments to implement this policy. It is essential that the impact of this implementation on the level of the incomes of various groups of workers does not interfere with the assumptions of economic reform. On the contrary, it should be most consistent with these assumptions. The national socioeconomic plans should define the general final proportions of wages and the road to achieving these proportions. The instruments by which the level and proportions of wages should be influenced include the application of minimum wage, the differentiation of the factors affecting the ceiling of the increase in wages that is not encumbered by contributions to the State Vocational Activization Fund, fiscal concessions not encumbered by contributions to the State Vocational Activization Fund, the skeleton wage scale and principles of work evaluation, and the mechanism of the countervailing tax.

The use of these instruments should be governed by the aims of central wage policy with regard to the population's cash income. The consistency between the aims of this policy and the way in which these instruments are used also determines the effectiveness of the policy of structural changes in the national economy.

2. Principles of Producing Wage Resources

2-1. Criterion of Production

Sold net production will be the chief criterion for fixing the increase in wages not encumbered by contributions of the state vocational activization fund. It will also be possible to use other criteria of production -- for example, the production in natural units -- and specific criteria such as retail prices, the cost of processing, and, in particularly justified cases, sold gross production.

Sold net production should be calculated as the difference between the income from the sale and the cost of materials, a difference reduced by turnover taxation and increased by budgetary subsidies (as well as adjusted by compensatory calculations on account of foreign trade, by compensatory cost analysis, and by changes in the state of current production).

To ensure conditions for the correct performance of the criterion of sold net production it is necessary to curb opportunities for manipulating the scale of this criterion. The most crucial sources for such manipulations are calculations to create

standards of comparison for the value of production. This problem is also present in the case of other criteria, including the criterion for sold gross production.

Taking into account the 1983 solutions to stabilize prices, it is necessary to limit the extent of calculations. Instead of recalculating the value of production in the basic year we should correct the results of the accountability year by the results of the price changes made in the accountability year.

This practice should eliminate the greatest source of manipulation represented by changes in assortment of goods, new production lines, and so on, when recalculating the value of the production of the basic year.

Maintenance of the formula of net production for a longer time should also help curb opportunities for manipulating current production. Thanks to this, the criterion of sold net production should be able to better reflect the true changes in the level of the effectiveness of the enterprise's economic performance.

2-2. Contribution to the State Vocational Activization Fund

2-2.1. The present principle of producing resources for wages achieved in the preceding year without contributions to the State Vocational Activization Fund is taken as the basis for calculating wages in the current year, which are free from contributions to the fund in question. Both the size of the basic coefficient of correction that determines the ceiling free from contributions to the fund in question and the scale of contributions imposed on payments on account of "costs" and on payments made from the profit to be shared will be laid down in the Central Annual Plan for 1984.

2-2.2. It may be possible to grant to certain branches of the economy more advantageous correctional coefficients than the basic coefficient for calculating the ceiling of wage increases that are free from contributions to the State Vocational Activization Fund. Such preferences will be laid down by the National Socioeconomic Plan and by the Central Annual Plan in 1984 and 1985.

2-2.3. In especially justified cases, the scale of increases in wages free from contributions to the fund in question will be fixed for certain branches of the economy and for individual enterprises. This solution should be used mainly to tone down unjustified wage disproportions. The Central Annual Plan should stipulate the amount of money that is allotted to finance such concessions in a given year. The minister of labor, wages, and social affairs will fix these amounts in agreement with the founding body.

2-2.4. It may be possible in especially justified cases to tax the increase in average wages instead of taxing the increase in the wage fund.

2-2.5. Payments from profits in favor of the housing and social funds will not be taxed by contributions to the State Vocational Activization Fund, as is the present practice.

2-3. Wage Reserve Fund

Units of the socialized economy are authorized to set up wage reserve funds if the amount of wages paid out in a particular year under the title of costs is below the ceiling that is free from contributions to the State Vocational Activization Fund. The wage reserve fund is fixed at the level equal to the difference between the amount of money that could have been paid out without making contributions to the fund in question and the amount actually paid out.

To ensure equal benefits for enterprises, the size of the reserve wage fund in the following year will be free from contributions to the state vocational activization Fund, but these payments will not be taken into account when the basic sizes of wages for the year after is fixed.

3. Wage Scales in Enterprises

3-10. Enterprises operating on the principles laid down in the law of 26 February 1982 on the fiscal economy of state enterprises and cooperatives and their units which possess funds to pay wages can fix the enterprise wage scales, including the so-called forked scale, with the following provisions:

-- the lowest wage will be fixed by the resolution of the Council of Ministers, which will also define the conditions for new rates of basic wages;

-- the minister of labor, wages, and social affairs will name the jobs and trades that are most severe and in short supply and to which special increased rates of basic wages will apply.

3-2. When fixing enterprise wage scales, enterprises will use the skeleton scales of trades and qualifications and the principles by which work is evaluated. The minister of labor, wages, and social affairs will publish by 31 October 1983 the skeleton scales of trades and qualifications and the principles by which work is evaluated and will fix the level of minimum wages for individual groups of trades and qualifications. He will do this in the form of coefficients of the lowest rate of the basic wage.

3-3. Enterprise wage regulations stipulated by the manager and the workers council in cooperation with trade unions will be the basis for introducing new wage scales.

4. Experimental Systems of Wages

The government will apply to the Sejm for legal powers to enable enterprises to use experimental wage regulations which are outside the collective labor contracts and the Labor Code. The conditions for introducing the experimental wage systems and the principles on which they should be based will be determined by the Council of Ministers, which will take account of the result of the public discussion of the proposal to restructure the wage system.

5. Principles of Remunerating Enterprise Managements

It is most necessary to use those principles of remunerating enterprise managers that can ensure the necessary stability of conditions of their performance and make the level of remuneration dependent on the extent to which the statutory aims of the enterprise's work are achieved. The following principles should be applied in order to fulfill these conditions:

5-1. Employment contracts with managers should be signed for a specific time, preferably for at least 5 years.

5-2. Employment contracts should stipulate the directive tasks of managers connected with the implementation of the statutory tasks of enterprises and with their economic and development situation.

5-3. Implementation of contracted tasks should constitute the basic criterion for evaluating managerial performance.

5-4. Managerial remuneration should include basic wages, job supplements, and a share in the work force fund. In addition, managers, like other workers, are entitled to remuneration for the years of service, to anniversary bonuses, and so on. Managerial remuneration must not include special bonuses financed from the remuneration [wynagrodzenie] that is charged to costs.

5-5. Rates of basic remuneration should be fixed in the managerial remuneration scales in line with the assumption that the lowest rate is equal to the average rate in the national economy, as modified by the branch coefficient stipulated by the minister of labor, wages, and social affairs, and that the highest rate is not double the lowest managerial rate. The rate of basic remuneration should be fixed depending on the category of individual enterprises (which is determined, for example, by such criteria as the size of manpower, the turnover before turnover taxation, and the size of export production) and on the difficulty of the tasks laid down in the contract.

5-6. Scales of the rates of job supplements should be drawn in accordance with the categories of enterprises. The lowest rate of job supplement should be equal to the lowest wage in the national economy and the highest rate should be equal to the average wage in the national economy, modified by the branch coefficient.

5-7. The managerial share in the work force fund will be fixed in relation to the cash value of the bonus per worker, which is free from contributions to the State Vocational Activization Fund. The managerial share in the work force fund should be fixed by the workers council on the assumption that this share must not exceed the quadruple of the share per worker, which is free from contributions.

5-8. The founding body fixes the rates of managerial remuneration. If the manager is appointed by the workers council, the founding body fixes the rate of his basic remuneration in cooperation with the workers council.

5-9. Remuneration of the members of the management should be that of the managers themselves, that is, it should include basic remuneration, the job supplement, and a share in the enterprise profits. The rates of basic remuneration of deputy managers are fixed by the manager in cooperation with the workers council. These rates are those fixed for managers, but they cannot be higher than managerial remuneration. The manager also fixed the rates of job supplements in line with the rates of such supplements as laid down by the minister of labor, wages, and social affairs for individual enterprises. The share of deputy managers in the profit to be allocated is fixed by the workers council on the motion of the manager.

5-10. Employment contracts with deputy managers should be signed for specific periods of time.

5-11. The government will propose to the Sejm to add to the "Cooperative Law" a rider that would enjoin the supervisory cooperative councils to use the same principles of remuneration for chairmen and deputy chairmen of cooperatives.

IV. Scientific-Technological Progress and Improved Production Quality

1. Relating Technological Progress to Production and Services

The corrections of the reform mechanisms concerning the development and exploitation of scientific-technological progress are designed to increase the impact of this progress on the effectiveness of economic management. Corrected mechanisms should induce enterprises to make greater efforts to employ technological progress as a factor that helps boost labor productivity, to rationalize the use of manpower and production

machinery, to increase the conversation of energy and materials, and to raise the quality and modernity of products.

The right stimulation and organization of scientific-technological progress calls for

-- stable forms of financing this progress;

-- development and implementation of the principles in line with which state authorities are in charge of scientific-technological development;

-- settling the legal conditions for scientific-technological progress, especially passing some belated but necessary normative laws.

1-1. Forms of Financing Scientific-Technological Progress

The present temporary forms of financing technological progress will be canceled as of 31 December 1983. Because it is necessary to maintain the indispensable continuity of research, development, and implementation work, we must devise, even before 1983 is over, the correct stable methods of financing scientific-technological progress.

Because the implementation and stimulation of scientific-technological progress is in the interest of the entire national economy and individual enterprises, it should be financed by the state as well as by the enterprises.

1-1.1. The state will:

a) directly and wholly (comprehensively) finance the selected issues of scientific-technological progress of decisive significance for the entire national economy;

b) support (by fiscal assistance), that is, subsidize and finance by loans, those tasks assumed by enterprises or groups of enterprises and by research organizations that are of great importance for the people and the economy, but that also are capital-intensive and full of risks and difficulties; financial support should as a rule be given on the principle of competition;

c) subsidize the activities (so-called general technical activities) that help promote scientific-technical progress;

d) finance the development of basic research and provide favorable conditions for science to the extent the resources allotted to scientific-technological progress allow.

The state will administer resources for scientific-technological progress from the following funds:

a) the budget-supported Research Work Fund, which will be primarily used to finance basic research and to create favorable conditions for development of science;

b) the Central Technological Progress Fund is made up in part of the allowance charged to the costs of running enterprises; this fund should be used primarily to:

-- finance state programs for promoting science and technology;

-- support selected projects sponsored by enterprises, groups of enterprises, and research-development organizations;

--subsidize activities that promote scientific-technological development (standardization, for example).

1-1.2. Enterprises will set up their technological progress funds made up of the allowances charged to the cost of running enterprises. These funds will finance scientific-development work, the purchase of licenses and inventions, designing and producing new products, and devising new technologies. The funds will also be used to pay up for the work (so-called general technological activities) supporting scientific-technological progress.

The funds on the tasks of increasing the effectiveness of goods production and improving the technology and organization of this production will be charged to the cost of running the enterprises. This will also be so with the costs of inventive activities, that is, with the expenditures on implementing inventors' projects, on their remuneration, on the bonuses for such projects, and on the activities of the clubs of inventions and rationalization.

1-1.3. The enterprise technological progress funds are fed by enterprises from the resources charged to the costs of their operations in line with Article 27 of the Law on Fiscal Economy of State Enterprises.

At the same time, the multiyear principle is hereby introduced for supporting the Central Technological Progress Fund by part of the technological progress funds run by enterprises. In 1984 and 1985 a part of these funds, which is to be transferred to the Central Technological Progress Fund, will be stipulated in the central annual plans for 1984 and 1985, but as of 1986 it will be stipulated by the national socioeconomic plan for multiyear periods. The percentage rates of the allowances for the technological progress funds in enterprises will be laid down in 1984 and 1985 by the central annual plans and as of 1986 they will be laid down by the national socioeconomic plan for multiyear periods.

1-2. Incentives for Applying Technological Improvements

Greater incentives will be created for enterprises to apply technological and organizational improvements by means of the following:

a) granting profits tax concessions when the following goods are produced:

-- new generations of electrical equipment that are less energy-intensive and which bear a state seal of approval;

-- products that are of a considerably higher quality, are more reliable, and that cost less to operate.

b) retaining the exclusion of the following features from the State Vocational Activization Fund:

-- expenses incurred by enterprises for purchasing inventions made by their own employees;

-- funds to cover the expenses involved in introducing new technology.

c) conducting a suitable credits policy in which preference will be given to establishing a new line of production when the technical preparations for this line of production are relatively long.

1-3. Orders for Research and Development Work

The government orders system that has been created also covers orders for research and development work. Research organizations and enterprises will be able to place orders

that are contained in the National Socioeconomic Plan and that involve tasks of fundamental importance for the entire national economy. Economic entities that place government orders will receive preferential supplies of materials and equipment.

2. Legal-Organizational Conditions Behind Scientific and Technological Progress

2-1. Essential Legal Regulations

In order to improve the organization of the research and development base, it is essential to improve the legislation concerning this sphere as quickly as possible. This requires that the following draft laws be presented to the Sejm:

-- the law on the Polish Academy of Sciences;

-- the law on research and development institutions and other such organizations.

Together with the 4 May 1982 Law on Higher Education, these laws will form a legal system making it possible to improve the organization and establish the stable functioning of all kinds of institution involved in technological and scientific progress.

The finances of research and development bodies also require stable legal regulations. Therefore, the finances of these bodies are to be controlled by the Council of Ministers Resolution No 282 dated 20 December 1982 until such time as a law on this subject is adopted. The terms of the resolution will also be a basis for the appropriate laws being prepared.

2-2. Ways of Directing Scientific and Technological Progress

The appointment of an executive body to control scientific and technological progress will serve to improve the way in which this area of socioeconomic life is managed. In accordance with political decisions that have been made, a Committee for Scientific-Technological Progress will be appointed, whose task will be to establish state scientific-technical policy and implement it and to improve the introduction of scientific and technological achievements to social and economic practice.

2-3. Inventiveness and Rationalization

Inventiveness and rationalization, which are a major way of releasing the creative and professional ability of engineering and technical cadres in enterprises, must also receive favorable legal-organizational conditions. Removing the barriers that hinder the development of this creativity will serve to improve the law concerning inventions. This law will be improved primarily by modifying the Council of Ministers decree of 28 May 1982. In particular, the principles behind payments to inventors and behind the application of models and ideas require modification. The purpose of this is to make as many employees as possible more interested in taking part in inventive and rationalization work, which is one of the most important factors in overcoming the crisis and leading the economy onto the road to development.

The law of 19 October 1972 on inventiveness should also be amended so that this law conforms to the principles and mechanisms of the economic reform.

2-4. Society's Influence on Scientific-Technical Policy

To widen the social base for the state's policy concerning science and technology, the chairman of the Council of Ministers will appoint a National Council for Science and Technology which will be an advisory and opinion-giving body for the government.

The Council should contain the following:

-- eminent scientific and technical creators whom the premier will name;

-- representatives from national scientific-technical institutions and social organizations.

Ensuring a suitable influence by society on scientific-technical policy also demands that the principles behind which socioprofessional organizations, especially the National Technical Organization, gather opinions be strictly adhered to. The factory circles of scientific-technical associations should have the power to initiate a whole range of activities inside enterprises concerning scientific and technological progress. In particular, these circles should point out to enterprise managements and to workers councils cases of excessive dependence on foreign countries and cases where foreign technical ideas are used unnecessarily instead of similar Polish ideas. These powers should be respected on all the levels at which scientific and technological progress functions.

3. Making Improvement in the Quality of Production

The deep economic disequilibrium is still making it difficult for economic reform mechanisms to improve the quality of products and services.

It is essential, therefore, to set in motion additional features that would help the economic reform mechanisms in this sphere.

3-1. Setting State Norms in Order

The state's norms for products bearing official prices should be set in order. The result of this will be to fix standard useful lives for these products. The official price of products whose useful life is below the standard will be reduced.

The official prices of products will also be reduced if the useful lives of these products has decreased because of demands imposed by a contract that has been signed.

In the case of products with an acute market shortage, price reductions will be offset by greater tax deductions from the producers.

3-2. Trade Activity

The financial system of trade enterprises will be modified so that the financial figures of these enterprises depend on the quality of the goods sold. This solution is designed to make trade enterprises more concerned with proper quality control, with establishing the technical specifications of products when negotiating contracts, and with a suitable technical standard of storing, transporting, and selling goods.

3-3. Legislative Activity

The imposition of fines for supplying faulty goods or for breaching a sales or supply contract because of faults which cannot be rectified should be added to Council of Ministers Resolution No 207 dated 27 September 1982 concerning the general conditions behind these contracts. In addition, the fines foreseen in this resolution for supplying faulty goods should be increased to 15 percent of the price of the product involved and the seller or supplier of such a product should be forced to pay this fine irrespective of the contents of the contract. Should a fine not be levied the body

responsible for paying it should transfer 50 percent of the value of this fine to the state budget out of its own funds.

In addition, modifications to the resolution should also contain a rule banning the inclusion of clauses in contracts saying that trade outlets need not carry out quality control and rules controlling technical maintenance and repairs under guarantee.

The legal status, powers, and duties of quality control bodies acting independently of enterprises and the control procedure to be followed at short notice on instructions from consumers or from central administrative bodies also require setting in order.

Contracts for government orders will contain a clause concerning the quality of these products and the way to carry out quality control, and will also specify the compensation to be paid for loss resulting from a failure to observe technical specifications.

The 1979 laws on the quality of products, services, work, and buildings, and the 1961 law on the standardization of goods and services will be amended. The government will encourage the adoption of a law for the protection of consumer interests.

The duty and responsibility of suppliers and sellers concerning the quality of goods and services will be firmly legally established this way.

V. Foreign Trade

The purpose of systematic modifications in foreign trade is to:

a) speed up the growth of exports, especially exports of finished goods to the second area of payments;

b) improve the effectiveness of exports, and in particular to reduce unprofitable exports;

c) rationalize imports and save convertible currency, at the same time increasing imports from the CEMA countries.

By taking these aims, as well as foreign trade determinants, into consideration, we are maintaining the distribution of foreign exchange, the compensatory account, and the Ministry of Foreign Trade's retribution fund. These regulations will be adjusted in such a way as to put the system of controlling foreign trade in line with suitable solutions.

Consolidating the system of controlling foreign trade will depend on:

a) consistent implementation of the principles adopted for fixing the foreign currency rate of exchange as well as determining prices, particularly for basic production goods that are imported from the second payments area;

b) limiting the application of official prices to exports;

c) introducing changes and supplements to the remaining economic regulations and mechanisms while all possible corrections relating to principles, range, and degree of fiscal concessions on exports will at the same time be fixed on the basis of the assumptions of the Central Annual Plan for 1984.

1. Setting the Accounts in National Monetary Units

1-1. Limitations on the Application of Official Prices

Limitations are put on the application of official prices on the settlement of accounts between suppliers and consumers, and foreign trade enterprises (companies). We work on the principle that accounts are settled for imports and exports on the basis of the prices paid to foreign trading partners, or those we receive from them, with the exception of those for basic production goods and basic agricultural products that are paid according to official prices.

The minister of foreign trade, with the agreement of the ministers of finance and of the Office for Price Affairs, draws up a list of goods that will be affected by official prices regarding imports and exports settlements.

1-2. Compensatory Contributions to Imports

We are maintaining the authorization of the minister of foreign trade to apply compensatory contributions to imported goods that are not affected by official prices in cases where commercial prices are lower than those in circulation for comparable or similar goods produced at home. These contributions are not applied if imported goods are paid for from our own enterprises' foreign-currency funds and if they are used for production.

The minister of foreign trade, in agreement with the minister of the Office of Price Affairs, will take advantage of imports from CEMA countries in order to counteract the monopolistic practices of producers from countries that ask exorbitant prices for their goods.

1-3. Customs Duties and Fiscal Returns in Exports

In order to counteract the practice of calculating customs duties and taxes in contracted prices for exports, the ministers of finance and foreign trade can, owing to the complex return procedures on these duties and taxes, introduce a return on the tax that has been collected on highly processed exported goods during the intermediate stage of production in the form of a lump sum. Lump sum on the import contributions mentioned in point 1-2. will also be returnable.

1-4. Margins

Official Trade Margins on Imports

The Ministry of Foreign Trade can fix official trade margins for goods that have been financed by centralized foreign currency funds or have been produced on the basis of agreements between various countries. Contracted trade margins are applicable in all remaining cases.

2. Increasing Enterprises With Imported Goods and Foreign Currency Funds

It is necessary to continue building up enterprises and other units of the socialized economy with these goods and funds with the help of the distribution of foreign currency funds and self-financing in foreign currency.

The proportions between the volume of distribution and self-financing should change for the better to promote the growth of self-financing assets at the expense of limiting the extent of distribution.

The following sources will be used from 1984 to supply enterprises with imported goods and foreign currency funds:

2-1. Centralized Imports

2-1.1. Foreign currency funds for centrally financed imports are at the disposal of the minister of foreign trade.

2-1.2. Foreign currency funds for imports that are necessary for our exports to countries in the first payments area are at the disposal of the minister of foreign trade.

2-1.3. Foreign currency funds for imports that are necessary to implement government orders are at the disposal of the authorized bodies.

2-1.4. Imports for other than the production sphere receive foreign currency funds at the disposal of ministers from the appropriate ministries.

2-2. Self-Financing Foreign Currency

2-2.1. Foreign currency allocations: Foreign currency allocation rates are adjusted to the conditions estimated to be prevalent in 1984-85 at the same time as accounting for the limited import intensiveness of our production.

A concession is being introduced concerning income tax to give banks authority to purchase convertible currency. The extent of the concession determines the value of these convertible currencies in zlotys according to the obligatory foreign currency rate which is current on the day the bank receives the right to purchase foreign currency.

2-2.2. Foreign-exchange credits: It is necessary to increase the possibility of obtaining short-term credits in order to carry out our export transactions and implement investments which contribute to export growth by bringing in fast profits.

2-2.3. Foreign currency allocation by tender: The allocation of foreign currency for tender is being extended to 1984 as an experiment, while the scope of this allocation will be extended to cover cooperative units.

3. Functioning Principles of Foreign Currency Accounts

3-1. General Principles of Opening Foreign Currency Accounts

Units of the socialized economy have accounts at a fixed bank (or banks) which have been opened on the basis of Article 18 Act 5 of the "Bank Law."

Bank statements contain incoming payments for a unit of the socialized economy for the following:

-- for participating in exports payable in convertible currency;

-- and for having been awarded a contract.

These statements serve as records. Funds contained in statements that stem from foreign currency allocations which, being fixed-time deposits, are subject to interest fixed by the chairman of the Polish National Bank.

4. Improving the Economic System of Foreign Trade Enterprises

4-1. Relating Earnings to the Work Results of Foreign Trade Enterprises

The minister of foreign trade is authorized to make the size of the workers' fund created out of profits and intended for distribution and for paying awards and bonuses to individual workers dependent on the growth and efficiency of exports and on the performance of exports and imports tasks stemming from international contracts.

4-2. Managing the Development Fund

The use of the foreign trade enterprise development fund is being extended by creating the possibility to use this fund to finance undertakings by producers which serve to develop exports and serve production designed to limit imports payable in foreign currency. Money from the development fund can be given to producers on the basis of a loan.

4-3. Development of Companies

Work aimed at transforming foreign trade enterprises into foreign trade companies will be continued.

VI. Mechanisms and Ways of Improving Domestic Trade Activity

Improving the functioning of domestic trade has an important role in normalizing the country's economic life, stabilizing the market, and creating a proper structure and quality of production.

The basic conditions necessary for any solutions in this sphere to be effective are: the general activation of market production, making it possible for supplies of all kinds of goods to be increased, a proper re-establishment of reserves, and a gradual guarantee that there will be constant supplies to the market.

1. Mechanisms for Activating Market Production

1-1. Conditions Behind Increasing Production

In order to encourage growth in market production it is necessary to have the right conditions to ensure an impetus for this production. This also applies to agriculture and the services that support it. This should be done as follows:

-- creating better access to materials necessary for this productions regardless of the status of the producer -- in other words, by taking into account all forms of small-scale production;

-- encouraging pensioners, old age pensioners, disability pensioners, and women on maternity leave to take up employment in enterprises that are producing directly or indirectly for the market. This could, for example, be done by establishing the principle that those who do begin employment will receive 75-80 percent of their pensions regardless of the possibility of receiving full pay for a given job, and that the full maternity benefit will be paid, even when the employment is part-time. This principle should only be applied to jobs that have been strictly defined;

-- making it possible to obtain foreign currency with which to purchase materials and resources guaranteeing the constant operation of machinery and equipment; for this

purpose there should be a greater possibility for using funds contained in foreign currency bank accounts for market production;

-- trading in unused machines and equipment with the help of loans for the purchase of other machines and equipment which directly or indirectly serve market production, and also the granting of credit facilities for the purchase of new machines and equipment essential for this production.

1-2. Development of the Production Base

Parallel to this activity it is essential to create the right conditions for the development of the market production base. It is necessary for this purpose to improve the systematic solutions that encourage the development of local industry, including the reactivation and development of state small-scale industry by aiding existing enterprises and creating the conditions for the emergence of new ones.

1-3. Stabilization of Conditions for Small-Scale Production Activity

In order to make the peaceful development of small-scale production possible, it is necessary to guarantee to socialized and unsocialized units stable economic and financial conditions for functioning.

Such stable conditions should be provided for all systems-type solutions, which should take into special account the taxation system and principles for the procurement of producer materials. All necessary changes should be announced well in advance.

1-4. Government Orders

To stimulate increases in the output of consumer goods it is necessary to take advantage of government orders as instruments of developing the desirable structure of production. Government orders should be used primarily to ensure the production of consumer goods in short supply. They can also be used in the case of certain consumers goods, the desirable increased production of which is curbed by the size of domestic and imported producer materials. The producers of the goods ordered by the government will receive guaranteed supplies of raw and manufacturing materials under the scheme of compulsory mediation. They will also receive such materials from central imports.

2. Developing Balanced Prices

Normalization of the consumer goods output calls for a gradual application of balanced prices. In the first place it is necessary to achieve balanced prices for higher standard articles. Any kind of rationing (controlled sales) of these articles is in profound conflict not only with the principles of the economic reform, but with the general principles of the socialist economy as well. This is because rationing creates a source of unjustified profits not based on work, intensifies speculation, and hinders the achievement of balance in the buyer's market.

As for the temporary solutions for the next few years, it is necessary to distinguish two groups of the domestic consumer goods offered to the public: staple goods to meet the population's basic needs and luxury goods.

Staple goods should include basic food articles, hygiene articles, clothing, footwear, and some other standard articles. To ensure that everyone is able to buy these articles it is necessary to put official prices on most of them and to subsidize them. Achieving balanced prices for these products will be done through gradual price adjustments closely related to increases in cash income of the basic sections of the population and

to the restoration of the general balance of the consumer goods output and sales. Concentrated efforts to increase the supplies of consumer goods to the population by increasing their output and the output of the materials from which they are produced and by import, especially the import based on the export of luxury goods, are the chief factor in balancing the consumer goods output and sales.

As for luxury goods, the efforts to gradually increase their output will go hand in hand with the efforts to achieve balanced prices by taking advantage of turnover taxation in order to boost profits without trying to improve the effectiveness of economic management. This will call for flexibility in applying the rates of turnover taxation, that is, for making it possible for the minister of finance to change the rates, depending on the development of supply and demand.

3. Improvements in the Mechanisms of Domestic Trade Performance

Domestic trade is the last link in the process of producing consumer goods and supplying them to the population. The conditions for the performance of domestic trade enterprises must make it possible for them to be in a favorable position when signing contracts with industry and taking over goods from it.

3-1. Profit Margins

The system by which profit margins are fixed will be changed to give these margins the distinct character of the price paid for a service. For this reason the following measures will be taken:

a) present official profit margins will be verified;

b) directive contract profit margins will be introduced in the branches of the economy as the basic margins and also in enterpriseswherever possible; directive profit margins will make it possible to control centrally the level of the contract profit margins in trade and to leave to enterprises the necessary freedom in fixing such margins for individual goods;

c) official profit margins in stated quotas will be introduced wherever technically possible.

3-2. Credit Facilities

As for granting credits to trade enterprises, the conditions for such grants will be eased in order to enable enterprises to finance the stocks necessary for the continuation of sales and the stocks accumulated as a result of government decisions. The changes in the credit system will include the conversion of turnover credits to long-term credits, which will be repaid from the development fund on conditions consistent with the fiscal capacities of trade.

2-3. Transforming the organizational structure of trade

To create conditions for demonopolizing the consumer goods sales, the Market Development Fund will be set up under the control of the minister of domestic trade and services to provide assistance in setting up new trade and service enterprises as competition to the existing enterprises. The fund will be made up of part of the excesses of the directives profit margins and the fines for the bad quality of goods and for price hikes.

3-4. System of Trade Motivation

The system of motivation in trade enterprises will be transformed so as to make the level of the employee's wages directly dependent on their work output and quality and on the fiscal results of enterprises. Wherever possible and necessary, the part of the wage found free from contributions to the State Vocational Activization Fund will be made dependent on increases in the enterprise's net profit.

3-5. Streamlining Relations With Industry

Work will be completed to streamline the formal and legal relations between producers and trading organizations, especially with regard to safeguarding the market against the influx of poor quality goods.

VII. Sorting Out Economic Law

To complete the sorting out of the economic laws, the heads of the supreme and central bodies of the state will review the valid ministerial regulations in three stages by 31 June [dzerwiec] 1984. [date as published]

In the first stage up to 15 November 1983 ministers and heads of central offices will cancel all the ministerial regulations issued before 8 July 1977, that is, before the duty to register such regulations was introduced, except for the regulations that will be positively evaluated by the ministerial teams for the economic reform.

In line with the aforementioned principles, in the second stage, up to 31 January 1984 those ministerial regulations will be canceled that had been published before the chairman of the Council of Ministers issued on 28 August 1981 Decree No 36 on preparations for the economic reform in economic and organizational units of the state administration.

In line with the aforementioned principles, in the third stage up to 31 May [maj] 1984 [date as published] the remaining ministerial regulations will be canceled and updated lists of legal regulations will be published.

After each stage the minister of justice will present to the Government Presidium the evaluation of the process of sorting out the ministerial laws.

PRON LAW COMMISSION HOLDS INAUGURAL SESSION

LD182025 Warsaw Domestic Service in Polish 1800 GMT 18 Oct 83

[Text] The law and rule of law commission of the National Council of the Patriotic Movement for National Rebirth [PRON] has held its inaugural session. It touched on the issues the commission intends to take up in the immediate future. These include proposed changes in the passport law which are now being worked upon by the Sejm commissions.

General (Konrad Traszewski), deputy minister of internal affairs, stressed at the commission that the possibility for keeping passports at home by people traveling to the socialist countries is being considered. This right will then gradually be extended to travelers to other countries. The policy of a broader issue and use than previously of consular passports will be continued in agreement with the Ministry of Foreign Affairs. Issues relating to the legal regulation of economic relations with foreign countries were also touched upon and implementation of the laws on antisocial behavior was discussed.

CEAUSESCU DEPARTURE FOR MALTA, OTHER COUNTRIES

AU180828 Bucharest AGERPRES in English 0709 GMT 18 Oct 83

[Text] Bucharest AGERPRES 18/10/1983 -- Romanian President Nicolae Ceausescu left Bucharest on October 18 in the morning together with Elena Ceausescu, for official visits of friendship to the Republic of Malta, the Arab Republic of Egypt, the Democratic Republic of Sudan and Cyprus.

The first stage of Romanian president's current journey is Malta, where the Romanian head of state pays his first official visit.

Romania's president is accompanied on these visits by Gheorghe Oprea, first deputy prime minister, Stefan Andrei, minister of foreign affairs, by other officials.

Ceausescu Meets Mintoff

AU181857 Bucharest AGERPRES in English 1817 GMT 18 Oct 83

[Text] Valletta AGERPRES 18/10/1983 -- The visit President Nicolae Ceausescu and Elena Ceausescu are paying to Malta has acquired from the very beginning -- that is the arrival in the Maltese capital city on October 18 in the morning -- all the attributes of an event of great political significance, welcomed as such by the Maltese public opinion, and equally of a mission of peace, friendship and collaboration in that country on the part of the Romanian head of state.

The official arrival ceremony took place at the Luqa Airport, where the distinguished Romanian guests were welcomed by the president of the Republic of Malta, Agatha Barbara, and by the Maltese prime minister, Dom Mintoff.

The Romanian head of state was presented the Maltese officials come to welcome him: Daniel Micallhef, speaker of the House of Representatives; Carmelo Mifsud Bonnici, first deputy prime minister, minister of education; Joseph Cassar, deputy prime minister, minister of justice and parliamentary affairs; Wistin Abela, deputy prime minister, minister of finance and customs; Alex Sceberra Trigona, minister of foreign affairs, other personalities of the Maltese public life.

The artillery fired a twenty-one gun salute, a military unit presented arms.

The official motorcade was cordially welcomed by Maltese inhabitants lined along the route. The distinguished Romanian guests were accompanied by the president and prime minister of Malta.

Ceausescu, Mintoff Begin Talks

AU181945 Bucharest AGERPRES in English 1915 GMT 18 Oct 83

[Text] Bucharest, AGERPRES. 18/10/1983 -- The first day of the official visit of friendship Romania's president Nicolae Ceausescu and Elena Ceausescu are paying to Malta included, as important moments, the beginning of the official talks with Prime Minister Dom Mintoff, the formal call on Malta's president Agatha Barbara, the signing of the solemn declaration, the visit to the historic town of Mdina and the sight-seeing tour of the capital city, of the drydocks repairing shipyards, just as the official dinner given by the hosts in honour of the distinguished Romanian guests when the two heads of state proposed toasts.

CEAUSESCU INTERVIEW WITH EGYPT'S AL-AHRAM

AU182020 Bucharest AGERPRES in English 1800 GMT 18 Oct 83

["Interview Granted by President Nicolae Ceausescu with the Chief Editor of AL-AHRAM" -- AGERPRES Headline; on 13 October, in Bucharest]

[Text] Bucharest AGERPRES 18/10/1983 -- In an interview recently granted in Bucharest to Egyptian journalist Hamdi Fu'ad [spelling as received] chief editor of daily "AL AHRAM", Romanian President Nicolae Ceausescu approached current aspects of the Middle East situation, Romania's relations with Egypt and other Arab countries, Romania's stance on the issues of disarmament and peace in Europe and the world over.

We carry excerpts from this interview released in Bucharest on the eve of President Nicolae Ceausescu's visit to Egypt.

The Ways of Solving Peacefully the Middle East Issues

Romania always was and is firmly for the settlement of the Middle East problems by negotiations between the parties concerned. At present, the situation is again particularly serious. In consideration of this, Romania firmly supports the view -- and insists -- that all parties concerned should renounce the use of force and take action for the settlement of disputed issues only by negotiations.

It is on that line that we have discussed with all states, political forces, heads of government and political personalities. And I must say that there is widespread concern to find the ways to a political resolution of the Middle East problems.

It is my opinion that everything possible should be done now to consolidate the ceasefire agreement in Lebanon and achieve national reconciliation starting from the need to ensure Lebanon's independence and territorial integrity. We hold the view that there is no problem more important in Lebanon today than to maintain and consolidate the ceasefire agreement and agree on a meeting to solve the problems among the Lebanese taking the fundamental interests of the Lebanese people as a basis.

Moreover, further action should be taken for an unconditional withdrawal of Israeli forces from Lebanon, for an understanding and adequate agreements to be reached ensuring full independence and sovereignty to Lebanon.

At the same time we are for the calling of an international conference to be attended by all parties concerned, including the Palestine Liberation Organization. We think that disputes within the PLO should be surmounted, in consideration of the need for the full unity of the organization, so that action could be taken to solve the Palestinian question on the basis of the right to self-determination which includes the setting up of an independent Palestinian state.

Problems Discussed With Yitzhaq Shamir

When I met Israel's foreign minister, now prime minister, Shamir we discussed bilateral links, Middle East questions and other international issues. Foremost were questions related to the achievement of a durable and just Middle East peace through the resolution of the Palestinian question, including the calling of an international conference. We have never set ourselves to mediate between the Soviet Union and Israel. But we did stress the significance of the Soviet Union's participation in the settlement of the Middle East questions and, in that context, also the necessity and prospects for the normalization of relations between the Soviet Union and Israel.

The Cessation of the Iran-Iraq Conflict -- In the Interest of Both Countries, of the Cause of Peace

The Iran-Iraq conflict took a heavy toll and caused much damage to the two countries' economies. At the same time, it contributed to the deterioration of the situation in the zone and to the mounting international situation in general.

A continuation of the conflict is against the interests of both Iraq and Iran. Indeed, the interests of both countries require that an end be put to the conflict as soon as possible.

Along that line Romania has always been for the cessation of fighting, for both countries to withdraw their troops to within the pre-conflict internationally recognized borders, and for a passage to the settlement of problems by way of direct talks between Iraq and Iran. I think that at present it is imperative that action be taken to put an end to fighting, withdraw the troops to within the internationally recognized borders and solve all problems only through negotiations. This meets the interests of both peoples, of the cause of peace in that region, of peace in general.

As long as the conflict is going on, actions and measures might be taken which could further complicate and deteriorate the situation in the whole area. Therefore, everything possible should be done to end the conflict and achieve a passage to the negotiated settlement of issues. Military actions are not always predictable and each side can resort to all kinds of action, which will only complicate the situation. That is why -- and I wish to repeat it -- the only way to solve the Iran-Iraq conflict is to stop the fighting and solve the problems through negotiations.

The Pressing Need for an International Conference on the Palestinian Question

An international conference should be called to solve the Palestinian question and, in general, to achieve a lasting peace in the Middle East. A resolution was passed in Geneva supporting the idea of an international conference. Moreover, at the UN session this autumn, the PLO representative reiterated that idea and highlighted the need for a conference to be convened and for an Arab delegation, including Palestinians as well, to be formed to attend the negotiations at that conference. I consider this provides new opportunities and proves the PLO's wish to come to a political solution to the Middle East issues.

Taking account of all this, I think the UN, the Security Council should adopt resolutions to that effect and call an international conference, while the countries concerned, the Arab countries included, all the states and political forces that are for a political settlement in the Middle East should work for and contribute to the organization of that international conference. I think of Egypt too, which continues to play a significant role in the resolution of Middle East Questions.

A Passage to Disarmament, Nuclear First of All -- A Current Prerequisite

We believe that the halting of the nuclear arms race, a passage to disarmament, to nuclear arms cuts is the fundamental issue of our time. It is in this context that we set the halting of the deployment of intermediate missiles in Europe and a passage to the withdrawal and scrapping of the ones in place.

True, so far an agreement has not been reached, yet I believe that very important proposals were made in that respect, by both sides. Both sides take action, make proposals and statements on the need for an understanding to halt the siting of the new missiles and pass on to the withdrawal and destruction of the ones in place. We believe that this should be underlain by a real balance between the sides, ensuring an observance of the balance of forces by bringing arms to ever lower levels, not by accumulating new arms, new nuclear missiles. In this respect Romania has come up with a series of proposals, we are for a continuation of the talks until an agreement is reached. As long as

negotiations continue the Soviet Union should not site new missiles but even start to dismantle part of the missiles in place in agreement with its statements.

At the same time we believe that as well -- mainly the NATO and Warsaw Pact States -- should meet in order to contribute to an agreement between the Soviet Union and the United States of America on halting the location of the new missiles and scrapping the ones in place. This would open up great prospects to a general approach to nuclear arms reduction, to the strengthening of peace and security in Europe and throughout the world.

The Role and Responsibility of the Great Powers, of All States in Surmounting Tension

International circumstances are extremely serious and tension has unfortunately mounted in the last few months, which proves the need for most responsible actions to overcome tension and settle all interstate issues through negotiations alone.

Naturally, the Soviet Union and the United States play an important part in this respect. We consider that the current talks between the Soviet Union and the United States of America should help surmount tension and solve a series of problems.

Taking account of the fact that all states are directly interested in a policy of detente and peace, we attach great importance to small and medium-sized countries, to non-aligned countries, which, as a matter of fact, represent the large majority of the states of the world. We consider they should work with all their forces and contribute to the resolution of current problems and to the resumption of the detente and collaboration policy. In this respect, I should like to refer more particularly to the need of an exclusively negotiated settlement of disputes between small and medium-sized countries, between non-aligned countries. We consider that the small and medium-sized countries, the non-aligned countries should themselves set an example of the way their problems can be solved, of renunciation of the use and threat of force, so as to play a more active role in the settlement of the complex international issues.

The Prospect of Turning the Balkans Into a Zone Free of Nuclear Arms and Foreign Military Bases

Romania has fine relations with all Balkan countries. It is with satisfaction that I say that Romania's relations with Balkan states are highly important not only for our bilateral relations, but also for the achievement of a general understanding among all the states in this area.

We have always been firmly for the overcoming of divergencies between Balkan states, for the resolution of their problems through negotiations and for the creation in the Balkans of a zone free of nuclear arms and foreign military bases. In this framework, I should like to mention that, in the last few years, several meetings of experts or deputy ministers were held on economic questions, as well as on other questions related to collaboration in the Balkans, which opens prospects for the preparation and convening of a summit on collaboration and the transformation of the Balkans into a zone free from nuclear weapons and foreign military bases. I consider this to be part of the process of achieving a Europe free of nuclear weapons and foreign military bases. It is on that line that I believe sustained efforts should be made in the eastern basin and, in general, in all the Mediterranean so as to find ways to a lasting collaboration among Mediterranean states and to making the Mediterranean a sea of collaboration and peace.

Fruitful Romanian-Egyptian Collaboration on All Planes

I wish to point -- and I do it with great satisfaction -- to the growing course of relations between Romania and Egypt. In the last few years, economic, technical-scientific and cultural collaboration between our two countries has intensified. Furthermore, exchanges at various levels have been stepped up too and, as is known, summit meetings took place -- President Mubarak visited Romania, which contributed to the continuous development of economic and other kind of collaboration and cooperation.

Likewise, on an international plane, on a series of problems, starting with the Middle East ones, Romania and Egypt have been working to solve them by way of negotiations, to come to a lasting and just peace, including the settlement of the Palestinian people's issue. Also on other international issues, and this includes disarmament, peace, the eradication of underdevelopment and the building of a new international economic order, our countries share common or very similar stances and closely work together to help their settlement.

Starting from here I believe that wide prospects exist for Romanian-Egyptian economic cooperation to expand in industry, and agriculture, for scientific and cultural collaboration to grow, as this fully meets the interests of both countries and peoples, of world peace and collaboration.

I think the visit I shall pay to Egypt, the interviews and talks with President Mubarak will be another landmark in the relations between Romania and Egypt, will strengthen the direct friendly bonds between the two of us, which meets the interests of both countries and peoples.

Romanian-Sudanese Relations

Our relations with Sudan are also very good. I met president Numayri several times; together we have agreed on the development of relations between our two countries. The visit I am to pay to Sudan is part of the good collaboration between our two countries, and of the friendship established between President Numayri and myself. I believe the visit to Sudan will be important both for the friendship and collaboration between our peoples that will become closer and, in general, for the policy of international peace and collaboration.

CEAUSESCU RECEIVES INDONESIAN DELEGATION 17 OCT

AU171938 Bucharest AGERPRES in English 1915 GMT 17 Oct 83

[Excerpts] Bucharest, AGERPRES 17/10/1983 -- President Nicolae Ceausescu of Romania received on Monday the Indonesian parliamentary delegation led by Hardjantho Sumodisastro deputy speaker of the House of Representatives of the Republic of Indonesia.

The interview was attended by Nicolae Giosan, chairman of the Grand National Assembly.

During the interview, warm greetings were exchanged between the presidents of Romania and of Indonesia. The Indonesian guest keenly thanked on behalf of the delegation for the invitation to visit Romania and was highly appreciative of the successes scored by the Romanian people in the economic and social development of the homeland.

During the interview, satisfaction was expressed at the relations established between Romania and Indonesia on the political, economic, technical and scientific plane as well as in other fields of activity, based on the fruitful collaboration steadily developing both bilaterally and internationally, in the interest of the Romanian and Indonesian peoples, of the cause of peace and understanding among nations. The great importance was highlighted of the visit Romania's president paid to Indonesia in 1982 for amplifying the friendly relations between the two countries and peoples. The positive course of the bilateral relations was assessed and broad possibilities were emphasized of expanding cooperation in domains of mutual interest. In this framework, the role was underscored of the parliaments and parliamentarians of the two countries in strengthening the Romanian-Indonesian links of collaboration.

The interview passed in a cordial, friendly atmosphere.

FURTHER REPORTAGE ON PLANINC VISIT TO IRAQ

Iraqi Media Coverage

For Iraqi media coverage of the official visit to Iraq of Milka Planinc, Zvone Dragan, and other officials, including the start of official talks with Iraqi First Deputy Prime Minister Taha Yasin Ramadan, see the Iraq section of the 18 October Middle East and Africa Daily Report and subsequent issues.

Planinc, Ramadan Toast Exchange

LD181008 Belgrade TANJUG Domestic Service in Serbo-Croatian 2111 GMT 17 Oct 83

[Text] Baghdad, 17 Oct (TANJUG) -- Taha Yasin Ramadan, member of the Revolution Command Council and first deputy prime minister of Iraq, expressed this evening his country's firm orientation to contribute to the optimal consolidation of the Nonaligned Movement.

In his toast at the formal dinner in honor of Milka Planinc, president of the Federal Executive Council, who is on an official visit to Iraq, Ramadan stressed the need for the Nonaligned Movement to be the dominant force in resolving crucial issues of international relations, in particular crisis problems.

He stressed that Iraq advocates strengthening economic relations with developing countries, which, he added, contributes to establishing just economic relations in the world. In this connection, Ramadan highlighted in particular the comprehensive cooperation and rich economic relations between Iraq and Yugoslavia. "A few years ago we were instructed by President Saddam Husayn to pay particular attention to relations and cooperation with Yugoslavia so that they might become a model of relations between nonaligned countries. Our two countries, which pursue entirely independent foreign policies, build their relations with others on the basis of independence and noninterference."

The first deputy prime minister of Iraq expressed the conviction that "this delicate phase of relations," which the two countries face due to their economic difficulties, will also be successfully overcome. Taha Yasin Ramadan also dealt with Iraq's main problem, the war with Iran, which has entered its fourth year. He recalled that Iraq has put forward a number of initiatives for peacefully ending the conflict, and that it has accepted every offer of mediation made by any mission so far in that direction. The period of war and economic difficulties is, in his words, also an opportunity for Iraq to assess "who is a real friend and who is not." These experiences, as Ramadan stressed, will represent in the future Iraq's basic criterion for the development of relations with individual countries of the world. "Our relations with Yugoslavia have been fully manifested precisely in this phase," Ramadan said at the end of his toast.

Replying to her host's toast Milka Planinc, president of the Federal Executive Council, said that "on this occasion, too, we can note with satisfaction that relations between Yugoslavia and Iraq have been developing successfully for a number of years on the foundations laid by Presidents Tito and Saddam Husayn, as two countries loyal to the principles of the Nonalignment Movement and as developing countries. Our relations are permeated with deep mutual understanding, respect, and friendly sentiments. These developed relations and cooperation are enhanced through frequent meetings, through continuous exchange of views at a high level, and through the establishment of broad links between political and social organizations of our two countries."

"We have truly enough reasons to be satisfied with what we have attained in bilateral relations, Milka Planinc went on to say.

"The degree of cooperation we have attained, especially in the economic field, represents an example of successful relations between two nonaligned, friendly countries. We have fruitful and varied cooperation also in other fields -- technical, scientific and cultural. However, I am convinced that we are both interested in enriching and expanding our relations even more meaningfully. Realistic possibilities exist for this, despite the difficulties confronting our two countries.

"A great number of Yugoslav and Iraqi workers and experts who work together every day contribute, through their work and efforts, to speedier construction of your country and to improving our two peoples' knowledge and reapproachement with each other."

"It is with great concern that we note the continued war between your country and Iran, a war harmful not only to the countries involved in the conflict but also to the Nonaligned Movement as a whole; a war that represents a serious threat to peace and stability also further afield in the Middle East. We sincerely wish that it be brought to an end as soon as possible in line with the legitimate rights and interests of both countries, and that all controversial issues be resolved only by negotiations. This is the only way to preserve many human lives and to avoid further destruction by a war that clearly can bring no good to no one. Therefore, in the future too we will spare no efforts to extend, together with other nonaligned countries, our contribution on the basis of the principles of the policy of nonalignment and the UN Charter to establish as soon as possible a just peace in this part of the world as well -- the kind of peace that will direct the immense human and material potential toward free development and to the benefit of the peoples of this area. We appreciate Iraq's efforts in the direction of finding a peaceful solution of this conflict."

Having stressed that the exacerbation of the international situation is also causing concern, Milka Planinc said that "the policy of force, pressure and intimidation has unfortunately become a means by which some try today to regulate international relations. It is precisely small, nonaligned and developing countries that are most threatened by such a policy."

"In such a complex international situation, the policy and movement of nonalignment, as a powerful and independent non-bloc factor, should become the decisive force in the struggle to halt the current trend of confrontation that deeply disrupts international relations, and to revive the policy of detente and negotiations. Only in such conditions will it be possible to change the existing system of international political and economic relations. In the general crisis of international relations, in the crisis of trust, the roots of which lie in thedeep bloc division of the world, hopes are increasingly being placed in the policy of nonalignment. Only decisive and consistent application of its principles can extricate the world from its present dangerous situation.

Resolute, united action is necessary today not only for confirming the movement's proper role but, more importantly, for effectively contributing to the preservation of world peace, and for providing fresh strength to the initiatives to halt the arms race, prompt negotiations on a global scale, and resolve also other problems facing the world today in a great number. We believe that we share your view on the necessity to consistently implement the conclusions and recommendations of the Seventh Summit of the Nonaligned Movement in New Delhi, which call for further strengthening the unity and solidarity among the nonaligned countries and their constructive contribution to the struggle for preserving peace and equitable cooperation in the world. The recent meetings at the highest level of a number of nonaligned countries during the UN General Assembly session also confirmed that our movement is capable of making its contribution to the quest for a way out of the present grave crisis in international relations, Milka Planinc said at the end of her toast. Zvone Dragan, vice president of the Federal Executive Council, and other members of the Yugoslav delegation, and, on the Iraqi side, Hasan 'Ali, member of the REvolution Command Council and minister of trade, as well as other prominent officials, also attended the dinner.

Planinc, Ramadan Talks

LD171652 Belgrade TANJUG Domestic Service in Serbo-Croatian 1445 GMT 17 Oct 83

[Text] Baghdad, 17 Oct (TANJUG) -- Yugoslavia and Iraq today expressed firm conviction that long-term cooperation is the backbone of the two countries' political orientation in building mutual relations. These views were expressed jointly in speeches this morning by Milka Planinc, president of the Federal Executive Council, and her host, Taha Yasin Ramadan, member of the Revolutionary Command Council and first deputy prime minister of Iraq, at the beginning of the Yugoslav-Iraqi dialogue at the highest level.

In frank talks, they also discussed current difficulties in the area of economic cooperation, which mainly have resulted from the obstacles the exhausting war in the Gulf has imposed on Iraq. It was noted, however, that problems connected with payments to Yugoslav enterprises engaged in Iraq should be resolved by mutual efforts together with clear understanding of the economic difficulties both countries face.

In her first separate meeting with Taha Yasin Ramadan, as well as later during the meeting of the two countries' delegations, Milka Planinc spoke among other things, about Yugoslavia's efforts to implement the economic stabilization program, while Ramadan, the second most important personality of the Iraqi political top echelon, spoke of his country's economic problems due to the war.

In this context he stressed that Iraq is trying to preserve independence in developing and making optimal use of its natural resources, also bearing in mind above all the present restrictions in Iraqi exports. Iraq used to export about 3.5 million barrels of oil before the war; now it exports only about 800,000 barrels. This has considerably diminished the country's total incomes, but efforts are being made to improve this situation. Iraq is expanding its oil pipeline through Turkey, which, when completed in April next year, will make possible a flow of about 1 million barrels of oil a day through the Mediterranean. At the same time, plans to build a pipeline through Saudi Arabia to the Red Sea or connections to the already existing Saudi pipeline in the same direction, are being discussed. In this way Iraq may perhaps reach next year its quota, within the OPEC framework, of a little over 2 million barrels of oil a day.

Despite present difficulties in economic cooperation, as stressed in the talks between Planinc and Ramadan, the orientation toward strengthening cooperation between Yugoslavia and Iraq is a lasting one, because it offers mutual benefits and it is founded on the mutual belief that strengthened economic relations among developing countries contributes to the creation of a new, more just world economic order.

In the exchange of views on international subjects, the two sides expressed concern about the continuous worsening of political and economic relations in the world. Taha Yasin Ramadan, speaking on this subject, devoted a significant part of his speech to Iraq's attitudes in connection with the problem of the Gulf war. He recalled that Iraq has so far made a series of initiatives for peaceful solution of the conflict with Iran.

Milka Planinc stressed that ever since the conflict broke out Yugoslavia has insisted on a peaceful solution, through negotiations, of the dispute between the two neighboring nonaligned countries, and that it has, in this sense, endorsed and is endorsing all peaceful initiatives to end the war.

Talks between the delegations led by Milka Planinc and Taha Yasin Ramadan will continue tomorrow.

Nonaligned Activity Discussions

LD181121 Belgrade TANJUG Domestic Service in Serbo-Croatian 0912 GMT 18 Oct 83

[Text] Baghdad, 18 Oct (TANJUG) -- Within the framework of Premier Milka Planinc's visit, Yugoslavia and Iraq have carried out in Baghdad in recent days a detailed exchange of views on several international questions of joint interest, especially those pertaining to the sphere of nonaligned activity. The talks on these issues were held by Hamid 'Alwan, Iraqi minister of state for foreign affairs, and Mirko Ostojic, deputy federal secretary of foreign affairs. There was reference to several topical questions in the sphere of international political and economic relations with special reference to the situation in the Near and Middle East area. In this context views were exchanged also on the focal points of crises, with emphasis on the possibilities of solving the crises through a stronger involvement by the Nonaligned Movement. Reference was made to the overall activity of the Nonaligned Movement and the tasks of the movement in the struggle for more equitable political and economic relations.

During the talks, attended on the Yugoslav side also by Dusan Litvinovic, director of the office for the Near East and North Africa in the Federal Secretariat of Foreign Affairs. The bilateral cooperation between Yugoslavia and Iraq in international actions, especially within the framework of the Nonaligned Movement, was assessed positively.

Talks Concluded

LD182138 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 18 Oct 83

[Text] The 2-day official and friendly visit to Iraq by the delegation of the Yugoslav Federal Executive Council ended this evening. Although the joint communique has not yet been published it is certain, as Fjodor Polojac, our special correspondent reports, that the talks in Baghdad have confirmed the successful and good relations between the two countries.

[Begin Polojac telephone dispatch] While we are reporting this, the formal send-off ceremony is in progress at Saddam airport. Taha Yasin Ramajan, member of the Revolution Command Council and first deputy prime minister, is taking leave of this guest Milka Planinc, president of the Federal Executive Council. Several members of the Revolution Command Council and of the government, high-ranking military officials, members of the diplomatic corps and numerous Yugoslav citizens living in this friendly country are present. The farewell ceremony confirms the assessment mentioned in the preview to this program: Relations between Yugoslavia and Iraq are well developed and are close in many spheres and, as regards international policy, identical; all issues emerging from objective circumstances are surmountable by mutual understanding and desire to continue along the ascending path of cooperation.

These views dominated all the talks and meetings Milka Planinc, Zvone Dragan and other members of the Yugoslav delegation had in the past few days. President Saddam Husayn of Iraq formulated those views during the talks this morning with the president of the Federal Executive Council as follows: Our two countries, he said, face two of the greatest world problems: Iraq faces war and Yugoslavia faces economic difficulties. It is only with mutual trust and understanding that these problems can be overcome. A large number of representatives of Yugoslav economic organizations Comrade Milka Planinc and members of the Federal Executive Council delegation met this afternoon, testified, by their own example, of the breadth of the cooperation between the two countries and of the prospects for its development. The joint Yugoslav-Iraqi communique, to be released this evening, will most certainly reflect such orientations and attitudes.

Husayn Reception for Planinc

LD182346 Belgrade TANJUG in English 2113 GMT 18 Oct 83

[Text] Baghdad, Oct 18 (TANJUG) -- President of the Yugoslav Federal Executive Council Milka Planinc ended her two-day official visit by Iraq and left Baghdad for Belgrade this evening.

During the visit, Milka Planinc conferred with her host, Iraqi First deputy Prime Minister Taha Yasin Ramadan, on current international issues, particularly the Middle East situation, as well as on Yugoslav-Irqqi relations. Milka Planinc was today received by Iraqi President Saddam Husayn.

Joint Communique Released

LD182335 Belgrade TANJUG in English 2122 GMT 18 Oct 83

["Pool" item]

[Text] Baghdad, Oct 18 (TANJUG) -- Under the present aggravated interntional conditions, the policy and Movement of Nonalignment have greater responsibility for, and an irreplaceable role in, the efforts towards the settlement of current problems and hotbeds in the world.

This is, among other things, pointed out in a joint Iraqi-Yugoslav communique issued towards the close of Yugoslav Prime Minister Milka Planinc's two-day visit in Baghdad.

The general worsening of international relations, the communique says, is the effect of the rivalry between the great powers and blocs, of their arms race, and of the increasingly aggressive and open interference in the internal affairs of independent nations and countries. The particular concern is the fact that bloc conflicts are being transferred to the areas of nonaligned countries, the two sides emphasized in the communique. The Iraqi side gave information of the situation in the Gulf region, especially of the Iraqi-Iranian war. Yugoslavia this time again supported the Iraqi Government's efforts which can contribute to halting the Iraqi-Iranian conflict, and expressed great concern over the extending of this conflict. The two sides called for the undelayed settlement of the Lebanese crisis and pointed out the necessity to have the unity of the P.L.O. preserved. The Middle East problem can be overcome on the known basis for which the nonaligned countries strive, it is noted in the communique.

Yugoslavia and Iraq voiced readiness to continue investing efforts in the promotion and development of all the forms of bilateral cooperation.

It was assessed that in the recent past a high level of economic, scientific and technical cooperation was effected. It was indicated that "certain questions which accompany as vigorous development of relations as this, should, as so far, be solved on the basis of friendship, understanding, and respect of joint interests." It was noted with content that still greater possibilities exist for the expansion of such cooperation, the communique concluded.

Planinc Statement on Talks

LD190840 Belgrade TANJUG Domestic Service in Serbo-Croatian 0007 GMT 19 Oct 83

[Text] Belgrade, 18 Oct (TANJUG) -- We traditionally have very good relations and cooperation with the Republic of Iraq." This was stressed tonight by Milka Planinc, president of the Federal Executive Council, on her return to Belgrade following a short stay in Baghdad.

In her statement for the Yugoslav public Milka Planinc added that the talks and the exchange of views had been frank, friendly and very meaningful. Then she said, among other things:

"I believe that this exchange of views with our friends in Iraq was very useful and comprehensive. In addition to bilateral cooperation, we also discussed all important international questions. It was important and useful for us to hear the views of the Iraqi leadership, especially those of President Saddam Husayn and Vice President Ramadan, on the conditions and the crisis situation in the Middle East."

Milka Planinc added that the two countries' stands were identical, stressing that Yugoslavia believes the Palestinian problem to be the key question of the Middle East crisis, which means giving the Palestinian people the opportunity to gain sovereignty on the principles of self-determination.

"We are concerned about international developments in general and we are in an agreement that the whole world -- and the Nonalighed Movement in particular -- must become even more involved so that this dangerous situation may be overcome."

Milka Planinc concluded by saying that she was convinced, as far as the situation in that area is concerned, that Iraq truly wishes peace. As a nonaligned country Yugoslavia provides support for every initiative that will establish the conditions for peace in that area. At the end of her statement the president of the Federal Executive Council recalled that despite the war situation, Iraq is an enormous building site, in which Yugoslav work organizations and our experts and workers are involved. Of course, the situation of war in which that country finds itself, the Yugoslav premier went on to say, creates certain difficulties. In addition, Yugoslavia too is facing economic difficulties and the talks in Baghdad were therefore directed also to the two countries' efforts to overcome these difficulties. In this respect, she said, Yugoslav-Iraqi relations are not marginal or transitory, but are based on deep-rooted traditional friendship and cooperation.

At Surcin Airport Milka Planinc and other members of the Yugoslav delegation who had been in Iraq were welcomed and greeted by Mijat Sukovic, vice president of the Federal Executive Council; Lazar Mojsov, federal secretary of foreign affiars; and other personalities. 'Abd al-Hamid Ibrahim (Al-Maklas), charge d'affaires of the Iraqi embassy in Yugoslavia, was also there to welcome her.

MAMULA RECEIVES ZIMBABWEAN DEFENSE OFFICIAL

LD180905 Belgrade TANJUG Domestic in Serbo-Croatian 1240 GMT 17 Oct 83

[Text] Belgrade, 17 Oct (TANJUG) -- Admiral Branko Mamula, federal secretary for national defense, today received at the Federal Secretariat for National Defense I.J. Chitaure; permanent secretary at the ministry of defense of the Republic of Zimbabwe. He heads a military delegation of his country's armed forces now on an official and friendly visit to our country and armed forces.

Adm Mamula had talks with his guest and members of the delegation from friendly and nonaligned Zimbabwe on the further promotion of relations and cooperation between the two countries' armed forces. The talks passed in a cordial and friendly atmosphere and were attended by Colonel General Veljko Kadijevic, assistant federal secretary for national defense; Rear Admiral Zvonimir Kostic; Major General Simo Papic, and other military officials of the Yugoslav People's Army.

SPILJAK RECEIVES NEW TUNISIAN ENVOY KLIBI

LD181232 Belgrade TANJUG Domestic SERVICE in Serbo-Croatian 1158 GMT 18 Oct 83

[Text] Belgrade, 18 Oct (TANJUG) -- Mika Spiljak, president of the SFRY Presidency, today received letters of credence from Ridha Klibi, newly appointed extraordinary and plenipotentiary ambassador of the Republic of Tunisia to the SFRY. Afterward they held a friendly conversation.

The meeting was attended by Lazar Mojsov, federal secretary of foreign affairs; Muhamed Berberovic, general secretary of the SFRY presidency; and others.

'ANTI-YUGOSLAV' EMIGRE GROUPS IN SWEDEN

LD181405 Belgrade TANJUG in English 1140 GMT 18 Oct 83

[Text] Stockholm, October 18 (TANJUG) -- Since the Social Democratic Labour Party (SDLP) came into power in Sweden, anti-Yugoslav emigre organizations, which have been dealt several severe blows, are seeking allies as they feel that they are losing ground.

Prime Minister Olof Palme is the target of their attacks because of his refusal to enter into contact with emigres whose organizations in Sweden include militant, terrorist wings.

The "Croatian Alliance", a nationalist anti-Yugoslav emigre organization, was not allowed to take part in last spring's May Day trade union rally, and, before his visit to Yugoslavia in June, Palme refused to meet representatives of the organization. But he did meet a delegation of the Yugoslav Alliance which gathers 20,000 Yugoslavs working in Sweden. It was one of the rare meetings between a West European prime minister and delegates of "guest workers".

The government's resolute stand was also manifested by its categorical refusal to succumb to the demands, following by blackmail and threats, by Miro Baresic, the assassin of Yugoslavia's ambassador to Sweden in 1971. Baresic staged a hunger strike in prison in order to gain privileges and secure a pardon. The hunger strike was indicative of the rallying of anti-Yugoslav emigres and their Swedish supporters. Although the major part of the Swedish press reports objectively on Yugoslavia, the SVENSKA DAGBLADET describes the emigre "Movement for the Creation of a Croatian State" which was tied closely with Baresic's hunger strike, as "a democratic organization".

Swedish television has recently aligned with anti-Yugoslav emigres with two programmes thus provoking a storm of protests by Yugoslav workers. The most important in a series of protest letters is a document with 1,300 signatures of members of "the Yugoslav Alliance". They bring to notice that throwing off mud at Yugoslavia in those programmes, slanders that it persecutes, as the TV said, "Croatian oppositionists", and other insinuations are directed not only against their fatherland and themselves, but also against relations between the two countries which were assessed in Belgrade last June as developed and good.

Although "the Croatian Alliance", which receives subsidies from Swedish authorities as an organization which "deals with culture", tries to present that it has nothing to do with policy, it was unintentionally denied by its Swedish friends. Member of the liberal party leadership Andress Kung, who has recently received the "Honorary Croat" award, publicly promised at the handing over of the award in Goeteborg "near collapse of dictatorial Yugoslavia" and shouted "Long live future free Croatia". Those words speak about Kung, the organization and the award.

Kung thus called to overthrow of a sovereign state, propagating reconstruction of "the independent state of Croatia", formed by fascists, which during World War Two was an illustrative example of connection of Hitlerite ideology and dangerous nationalism.

Regrettably, the Swedish television too indirectly joined that by giving prominence to Kung's book, a pamphlet against socialism, the climax being that that was done in a programme for Yugoslavs, in their language, spoken by Tonci Percan, whose ties with militant emigrees being no secret already for a long time. Protests of Yugoslavs in Sweden point out therefore that determination of authorities is now expected, since emigrees are evidently trying in all ways to preserve their impaired positions in this country.

SKOPJE LC COMMITTEE DISCUSSES SECURITY

LD180911 Belgrade TANJUG Domestic Service in Serbo-Croatian 2127 GMT 17 Oct 83

[Text] Skopje, 17 Oct (TANJUG) -- The political security situation in Skopje is marked by the continuity of the intensive ideopolitical activity by all sociopolitical forces led by the LC. This is stressed in the statement on this evening's session of the Skopje LC City Committee, in whose work Krste Markovski, president of the Macedonian LC Central Committee, also took part. Members of the city committee assessed the political security situation in Skopje as favorable. This is also confirmed by results in production, employment, investments and reduction in losses. Despite the results achieved, the action mobility and consciousness, attitude and sense of responsibility for the speedier overcoming of problems and contradictions of development have not been created in all environments.

Certain weaknesses are present in the activity of communists, of basic organizations and organs of the L.C., primarily in the inconsistent implementation of the established tasks and in lack of sufficient tenacity. There are also phenomena of opportunism, passive attitude and superficiality. All these phenomena -- the statement of the session says, among other things -- are weakening to a considerable extent the entire ideopolitical activity and action of the city LC organization in Skopje.

ECONOMIC PLIGHT OF BROADCASTING ORGANS DISCUSSED

LD182103 Belgrade TANJUG Domestic Service in Serbo-Croatian 1440 GMT 18 Oct 83

[Summary] Belgrade, 18 Oct (TANJUG) -- The economic position of Yugoslav radio and television has weakened to the extent that the implementation of its social obligations has also been called into question. This refers first and foremost to the inability to ensure good quality programs and to halt the further worsening of the functioning of the existing technical system. This was stated at the session today of the SAWPY Federal Conference press, radio and television committee, which discussed the economic position of radio broadcasting organizations.

Speaking about these problems, Milan Vukos, head of Belgrade radio and television, stressed that revenue from advertising is falling day by day. At present this revenue represents 88 percent of the income of radio and television organizations. But this does not meet even the basic costs, which are increasing at a dizzing rate. The increase in fixed costs is causing particular concern. In such a situation, radio and television centers have relied on the import of foreign programs but now, when foreign exchange is short, listeners and viewers are offered repeat programs. The subscription went up this year by 24 percent, but this has been swallowed up by inflation. Vukos said that an increase in the subscription is the only way out of the difficulties. Participants in the debate agreed that such an increase is inevitable.

The delegates endorsed the proposal that Yugoslav radio and television centers should jointly finance and use the imported foreign programs. This would lead to a unified Yugoslav policy and would ensure better quality programs. It would further do away with every single radio and television station having to cope somehow in supplying programs. Belgrade Television, for instance, currently ensures the necessary foreign exchange by exporting crystal from Zajecar.

KOSOVO LC DISCUSSES ECONOMIC STABILIZATION

LD141819 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 14 Oct 83

[Excerpts] Pristina 14 Oct (TANJUG) -- It is essential to the League of Communists and other sociopolitical organizations that the long-term program of economic stabilization is supported and accepted by the widest strata of the working people and citizens in the province. The activity of the League of Communists and other subjective forces to implement this program is underway and is being carried out in Kosovo with varied intensity and breadth. Most environments have approached these tasks in a more organized, specific and responsible manner. However, this activity and the involvement of the membership and organization of the League of Communists are still not satisfactory or in keeping with the difficulties and gravity of economic trends and the need for faster economic and overall stabilization of the situation in the province. The greatest weakness lies in the fact that the adoption of programs and their implementation are still approached in the old declamatory manner, which has not involved every worker.

These are the main points from the introductory report submitted by Ilijaz Kurteshi, president of the provincial Committee of the LC of Kosovo, to today's session of the provincial committee, which is to determine the direct tasks of the Kosovo Communists in the implementation of the long-term program of economic stabilization.

Kurteshi emphasized that the League of Communists must resolutely and most effectively settle accounts with all those who hestiate or doubt and who do not want or wish to believe in the success of the stabilization program. We are faced with difficult long-term battles and also with a clearly determined prospect. He listed as the most important stabilization tasks the need to increase production and an uncompromising removal of the phenomena of unscrupulous and wasteful behavior, parasitism and sloppiness, bribery, corruption, acquisition of social property, and evasion of the laws. In the sociopolitical action to increase production, the League of Communists, he said, must resolutely struggle for consistent implementation of the commitment to rely on our own efforts in every environment -- not just verbally but also by deeds. There are still strong attempts to maximally objectivize and socialize bad work, and business failures. This is one of the main reasons why we still do not have a broad open front of struggle for increased productivity.

Kurteshi pointed out that special attention must be paid to the elaboration of a most suitable social policy, because reluctant and inadequate handling of social problems, as well as poor organization and ineffectiveness in resolving them, give working people the feeling that there is not sufficient caring for their problems, thus opening the door to demagogic activity by individuals and groups and to the introduction of defeatism or spreading of illusions that difficulties can be easily and quickly overcome. In this respect, Kurteshi added, it is necessary much more energetically to protect workers from idlers and consistently implement the stance that the one who has the possibility to work and thus to ensure his living standard but does not do so should not rely on assistance from society, or live at the expense of good workers. He demanded differentiation on the basis of attitude toward work and the creation of awareness that only work, maximum production, greater productivity, discipline and reduced absenteesm is it possible to make a contribution to the stabilization trends.

The President of the Provincial Committee of the LC of Kosovo pointed out the need for consistent continuation of actions in the province to remove negative phenomena. These actions, such as "you have a house -- return the apartment," are slow because of incomprehension, familiarity, various interventions, and also because some of the cadres are involved in this. We must intensify responsibility in everyone, especially communists and cadres who by their behavior harm the prestige of the League of Communists and act contrary to our policy. We should not be sentimental toward such people and we should energetically get rid of them, Ilijaz Kurtesi said.

In conclusion, he emphasized that the LC of Kosovo as a whole must strengthen itself as regards organization, actions and cadres and change the working methods in keeping with the demands of stabilization. Kurtesi emphasized that the information media make an important contribution to the limination of negative phenomena and to the affirmation of positive trends, but that they must in this respect be more frank and responsible.

The discussion at the session centered on insistence on the need for more work, better organization and the measures to be taken against those who do not carry out their labor obligations. Sketching the state of and prospects for the Kosovo economy, Imer Pulja stated that in order to pay off its foreign and home debts, in the coming year Kosovo must spend over 20 percent of the total social income. Jordan Kostic touched in particular on cadre policy and on the liberalism which is in evidence where responsibility is involved. We can no longer tolerate, he said, the privileged, especially who acquire privileges through failure to work, corruption and unofficial businesses. We cannot offer a high position to someone whom we have previously removed from some post because of failures and poor results. Azem Vlasi warned that there can be no radical changes in achieving stabilization unless there are radical changes in the way each individual behaves. He suggested that instead of marathon discussions and meetings, specific work and responsibility should take over.

Azem Azemi made critical mention of the manifestation of abuses, economic crimes and other types of corruption, underlining that the difficulties lie not, as some people would like to make out, in the weakness of the system, but in failure to implement the laws and other agreements.

Petar Jaksic called for a vigorous struggle against those responsible for ideological resistance, petty bourgeois prattle and slander which most often does not exist at the grass roots among the workers.

At the end of the debate, the Provincial Committee adopted decisions charging the members to make a detailed review of the state of affairs in their environments and to undertake specific measures and actions and be responsible for setting matters to rights.

The tasks in the forthcoming electoral activity were also established at the session with Bajram Seljani, member of the Presidium of the Provincial Committee, making the opening.

SPILJAK RECEIVES NASA PLAQUE FROM U.S. ENVOY

LD181423 BELGRADE TANJUG in English 1335 GMT 18 Oct 83

[Text] Belgrade, October 18 (TANJUG) -- Yugoslav Presidency President Mika Spiljak today, Tuesday, received a plaque presented to the peoples of Yugoslavia by the U.S. National Aeronautics and Space Administration (NASA). The plaque containing a miniature Yugoslav flag carried aboard the space shuttle Challenger during its second voyage last June, was presented to Spiljak by the United States ambassador to Yugoslavia David Anderson.